# Unaudited Interim Results

for the six months ended 30 June 2016
and declaration of cash dividend

TRENCOR

Trencor Limited
(Incorporated in the Republic of South Africa)

Registration No. 1955/002869/06 | Share code: TRE | ISIN: ZAE000007506 | ("Trencor" or "the company")

## COMMENTARY

### GROUP

- Trading profit after net financing costs decreased by 228% from R1 017 million (restated*) for the corresponding six month period in 2015 to a loss of R1 305 million. The trading loss for the six months ended 30 June 2016 includes additional depreciation required under International Financial Reporting Standards ("IFRS") and the impairment of the Hanjin Shipping Company Limited ("Hanjin") receivables (see below).
- **Headline loss per share** (including the effect of realised and unrealised foreign exchange translation losses/gains) was 324,1 cents (2015: earnings 278,2 cents – restated*).
- **Adjusted headline loss per share** (which excludes the effect of net unrealised foreign exchange translation losses/gains) was 314,6 cents (2015: earnings 263,6 cents – restated*).
- These various (losses)/earnings are better presented in tabular form:

| | Six months ended 30 June | | Year ended 31 December |
|---|---|---|---|
| | **2016** | 2015 Restated* | 2015 |
| | **Cents per share** | Cents per share | Cents per share |
| **Headline (loss)/earnings** | **(324,1)** | 278,2 | 512,6 |
| Deduct: Net unrealised foreign exchange translation losses/(gains) | **9,5** | (14,6) | (69,3) |
| **Adjusted headline (loss)/earnings** | **(314,6)** | 263,6 | 443,3 |
| Period-end rate of exchange: SA rand to US dollar | **14,88** | 12,25 | 15,53 |
| Average rate of exchange for the period: SA rand to US dollar | **15,39** | 11,83 | 12,75 |

* Refer note 11.

- Based on the spot exchange rate of US$1 = R14,88 and the price of Textainer's shares listed on the NYSE on 30 June 2016 (US$11,14), the net asset value of Trencor at that date was as follows:

| | R million | Rand per share |
|---|---|---|
| Beneficiary interest in Textainer | 4 522 | 25,53 |
| Beneficiary interest in TAC | 280 | 1,58 |
| Net interest in long-term receivables | 489 | 2,76 |
| Cash | 2 173 | 12,27 |
| Net liabilities | (115) | (0,65) |
| | 7 349 | 41,49 |

- Consolidated gearing ratio at 30 June 2016 was 302% (2015: 210% – restated*).
- Interim dividend of 80 cents per share declared (2015: 80 cents per share).

### TEXTAINER (48,2% beneficiary interest) – US GAAP results

- Net loss for the half year was US$4,9 million (2015: profit US$75,6 million). Textainer recorded US$36,8 million of container impairments (2015: US$7,9 million) resulting from a transfer to held for sale and a write-down of its inventory of containers pending disposal to their estimated fair value.
- There was no impairment to the leased container fleet for the six months ended 30 June 2016 (2015: Nil).
- Average fleet utilisation for the six months to 30 June 2016 was 94,6% (2015: 97,6%).
- Continued expansion with US$432 million of capital expenditure year-to-date in 2016 in respect of the owned and managed fleet.
- Total fleet under management at 30 June 2016 was 3 195 378 (2015: 3 276 509) twenty foot equivalent units of which Textainer itself owned 81,0% (2015: 79,7%).
- Declared dividends of US$0,24 per share in respect of quarter 1 and US$0,03 per share in respect of quarter 2 of 2016.
- 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. In years prior to 2015, limited adjustments were necessary in so converting from US GAAP to IFRS. However, in the year to 31 December 2015 and continuing into the six months ended 30 June 2016, 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.

Adjusted to conform with IFRS, Trencor's consolidation of the results of Textainer requires that net losses of US$289,2 million be recorded for the half year (2015: profit of US$76,1 million). This included a non-cash impairment loss on the leased container fleet as required under IFRS of US$223 million (2015: Nil). No impairment was necessary under US GAAP at 30 June 2016 or 30 June 2015. Trencor recorded an additional depreciation charge required under IFRS for the six months to 30 June 2016 over and above the amount provided under US GAAP of US$42,5 million.

Adjusted to conform with IFRS, Trencor's consolidation of the results of TAC requires that net losses of US$21,7 million be recorded for the half year (2015: profit of US$5,1 million). This included a non-cash impairment loss on the leased container fleet as required under IFRS of US$19,2 million (2015: Nil). An impairment of US$0,4 million (2015: Nil) was recorded under US GAAP at 30 June 2016. Trencor recorded an additional depreciation charge required under IFRS for the six months to 30 June 2016 over and above the amount provided under US GAAP of US$1,1 million.

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 30 June 2016 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$242 million (R3 615 million) in respect of the Textainer and TAC fleets in Trencor's financial statements for the six months ended 30 June 2016, 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 823 million or 1 030 cents per share.
- Residual values and useful lives of containers – IFRS requires the reassessment of the residual values and useful lives of containers at each reporting period, 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 (ie 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 was 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 30 June 2016. This is in contrast to US GAAP which takes a long-term view of the value to be realised on disposal of each container at the end of its useful life (ie market fluctuations in price are not taken into account in the reassessment of residual values unless they persist for extended periods of time). At 30 June 2016, the reassessment of the useful lives of the container fleets resulted in the useful lives of certain container types being extended with effect from 1 July 2016.

  The resale values of containers can vary significantly depending on, among other factors, location, 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 period-end. The consequence of the reassessment of residual values and useful lives is an estimated increase of R493 million in the depreciation charge to be recorded prospectively in the six months to 31 December 2016 financial period over and above what it would have been had the residual values and useful lives not been revised (the impact on earnings and headline earnings, after tax and non-controlling interests, is estimated to be a net charge of R251 million or 141,8 cents per share). This depreciation charge is calculated after adjusting the carrying value of the container fleet for impairment at 30 June 2016. This estimate presumes no material changes to the composition of the container fleets and no significant changes for the next six months to market factors prevailing at 30 June 2016. Changes in these factors will influence the depreciation that may be charged in future periods.

**Directors:** DM Nurek (Chairman), JE Hoelter (USA), JE McQueen* (CEO), 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)


### EVENT AFTER REPORTING PERIOD

On 31 August 2016, Hanjin filed in South Korea for protection from its creditors, and a receiver was appointed on 1 September 2016. On 2 September 2016, Hanjin also filed for protection in the United States of America under Chapter 15 of the US Bankruptcy Code. At this time it is not clear if Hanjin will be able to restructure and resume operations under court order protection or will be forced to liquidate in bankruptcy.

Textainer is in the early stages of assessing the full financial impact that this event will have. At present many containers are still on vessels and not accessible to Textainer. It is anticipated that the recovery process will be protracted and difficult. As it is not possible at this point to predict potential recoveries the impact on Textainer remains uncertain.

The ultimate level of loss Textainer may suffer depends on many factors among which are:

- the number of units which will be recovered;
- the average cost, including ransom, repair, repossession, and other charges, to recover units;
- which units will be written off and their book values; and
- the amount of insurance that will be collected and how these proceeds will be applied to offset the losses.

In accordance with IAS 10 *Events after the Reporting Period* ("IAS 10"), an impairment has been made to the operating and finance lease receivables recorded at 30 June 2016 due to Textainer related to Hanjin (included in the amount disclosed in note 3). The amounts receivable under finance leases have been impaired to the current best estimate of the fair value of the containers which serve as collateral.

As a result of the factors and uncertainties mentioned above, Textainer is currently unable to determine whether any loss will ultimately be incurred on the recovery of the containers on operating and finance lease to Hanjin. Other publicly traded container lessors are in a similar position as Textainer in this regard. In accordance with IAS 10, the Hanjin filings in September 2016 is considered a non-adjusting event as it relates to the underlying container fleet on operating and finance lease to Hanjin, and an estimate of its financial effect cannot be made at the date of this report for the reasons mentioned above.

The US GAAP net book value of the units on lease to Hanjin by Textainer is US$280 million of which US$237 million is effectively owned by Textainer. Based on the total fleet of units leased to Hanjin, 53% of these containers measured by unit count and 31% measured by net book value (based on US GAAP) are on finance lease. It should be noted that the net book value of these containers, as reported by Textainer under US GAAP, differs from the lower IFRS values reported by Trencor as a result of significant IFRS impairment losses recorded at 31 December 2015 and being recorded in this reporting period (see above).

## CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the trading statement, delayed interim results in respect of the six months ended 30 June 2016 and cautionary announcement released on the Stock Exchange News Service on 3 October 2016. On the basis that the impact of the Hanjin matter is still being assessed, shareholders are advised to continue to exercise caution when dealing in their Trencor shares, until a further announcement is made.

## PREPARATION OF FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been prepared by management under the supervision of the financial director, Mr RA Sieni (CA)SA, and have not been audited or reviewed by Trencor's external auditors.

## DECLARATION OF CASH DIVIDEND

The board has declared an interim gross cash dividend (number 102) of 80 cents per share out of distributable reserves in respect of the six months ended 30 June 2016.

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

| | |
|---|---|
| Last day to trade *cum* the dividend | Tuesday, 8 November 2016 |
| Trading commences *ex* the dividend | Wednesday, 9 November 2016 |
| Record date | Friday, 11 November 2016 |
| Payment date | Monday, 14 November 2016 |

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 November 2016 and Friday, 11 November 2016, both days inclusive.

Note that:

- 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 68 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).

## CHANGES TO DIRECTORATE AND BOARD COMMITTEES

As announced on 8 August 2016, with effect from 5 August 2016:

- Messrs NI Jowell and C Jowell retired as executive directors and members of the executive committee and from all other positions within the Trencor group;
- Mr DM Nurek was appointed as independent non-executive chairman of the board in the place of Mr NI Jowell;
- Mr JE McQueen (CEO) was appointed chairman of the executive committee in the place of Mr NI Jowell;
- Mr RJA Sparks was appointed as chairman of the remuneration committee in the place of Mr DM Nurek (who remains a member of this committee); and
- Mr RA Sieni (financial director) was appointed as a member of the social and ethics committee in the place of Mr C Jowell.

On behalf of the board
DM Nurek Chairman
21 October 2016

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2016

| R million | Unaudited 30 June 2016 | Unaudited Restated 30 June 2015 | Audited 31 December 2015 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | **52 375** | 49 152 | 59 636 |
| Intangible assets and goodwill | **425** | 413 | 486 |
| Investment in equity accounted investee | **119** | 110 | 145 |
| Other investments | **–** | 45 | 45 |
| Long-term receivables | **455** | 441 | 506 |
| Net investment in finance leases | **1 867** | 1 481 | 1 465 |
| Derivative financial instruments | **–** | 13 | 10 |
| Deferred tax assets | **23** | 26 | 19 |
| Restricted cash | **445** | 459 | 450 |
| Total non-current assets | **55 709** | 52 140 | 62 762 |
| Inventories | **439** | 492 | 766 |
| Trade and other receivables | **1 801** | 1 498 | 1 930 |
| Current portion of long-term receivables | **121** | 160 | 134 |
| Current portion of net investment in finance leases | **907** | 657 | 758 |
| Cash and cash equivalents | **3 780** | 3 189 | 4 241 |
| Total current assets | **7 048** | 5 996 | 7 829 |
| Total assets | **62 757** | 58 136 | 70 591 |
| **EQUITY** | | | |
| Share capital and premium | **44** | 44 | 44 |
| Reserves | **8 512** | 9 832 | 11 736 |
| Total equity attributable to equity holders of the company | **8 556** | 9 876 | 11 780 |
| Non-controlling interests | **6 493** | 8 433 | 9 479 |
| Total equity | **15 049** | 18 309 | 21 259 |
| **LIABILITIES** | | | |
| Interest-bearing borrowings | **43 936** | 36 941 | 46 006 |
| Amounts attributable to third parties in respect of long-term receivables | **68** | 70 | 71 |
| Derivative financial instruments | **248** | 53 | 40 |
| Deferred revenue | **36** | 33 | 40 |
| Deferred tax liabilities | **136** | 227 | 271 |
| Total non-current liabilities | **44 424** | 37 324 | 46 428 |
| Trade and other payables | **1 592** | 812 | 1 170 |
| Current tax liabilities | **168** | 135 | 144 |
| Current portion of interest-bearing borrowings | **1 506** | 1 527 | 1 571 |
| Current portion of amounts attributable to third parties in respect of long-term receivables | **14** | 25 | 14 |
| Current portion of deferred revenue | **4** | 4 | 5 |
| Total current liabilities | **3 284** | 2 503 | 2 904 |
| Total liabilities | **47 708** | 39 827 | 49 332 |
| Total equity and liabilities | **62 757** | 58 136 | 70 591 |
| Capital expenditure incurred during the period | **3 830** | 3 478 | 6 095 |
| Capital expenditure committed and authorised, but not yet incurred | **1 407** | 124 | 166 |
| Directors' valuation of unlisted investments | **–** | 45 | 45 |
| Ratio to total equity: | | | |
| Total liabilities (%) | **317,0** | 217,5 | 232,1 |
| Interest-bearing debt (%) | **302,0** | 210,1 | 223,8 |

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2016

| R million | Unaudited Six months ended 30 June 2016 | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| Revenue (note 2) | **5 055** | 4 249 | 9 277 |
| Trading (loss)/profit before items listed below | **(396)** | 1 589 | 2 784 |
| Realised and unrealised exchange (losses)/gains on translation of long-term receivables, excluding fair value adjustment | **(38)** | 55 | 278 |
| Fair value adjustment on net long-term receivables | **63** | (7) | (77) |
| Impairment of property, plant and equipment (note 4) | **(3 615)** | (2) | (1 912) |
| Available-for-sale financial asset – reclassification from other comprehensive income | **33** | – | – |
| Compensation receivable from third party in respect of impairment of property, plant and equipment | **–** | – | 98 |
| Operating (loss)/profit before net finance expenses (note 3) | **(3 953)** | 1 635 | 1 171 |
| Net finance expenses (note 5) | **(909)** | (572) | (1 176) |
| Finance expenses – Interest expense | **(638)** | (482) | (1 025) |
| Finance expenses – Realised and unrealised losses on derivative financial instruments | **(296)** | (101) | (174) |
| Finance income – Interest income | **25** | 11 | 23 |
| Share of (loss)/profit of equity accounted investee (net of tax) | **(20)** | 5 | 9 |
| (Loss)/Profit before tax | **(4 882)** | 1 068 | 4 |
| Income tax (credit)/expense | **(88)** | 48 | 61 |
| (Loss)/Profit for the period | **(4 794)** | 1 020 | (57) |
| Other comprehensive (loss)/income | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation differences | **(816)** | 1 024 | 5 695 |
| Change in fair value of available-for-sale financial asset | **(9)** | (21) | (21) |
| Available-for-sale financial asset – reclassification to profit and loss | **(33)** | – | – |
| Related income tax | **7** | 4 | 4 |
| Total comprehensive (loss)/income for the period | **(5 645)** | 2 027 | 5 621 |
| Total comprehensive (loss)/income for the period attributable to: | | | |
| Equity holders of the company | **(2 848)** | 1 009 | 2 832 |
| Non-controlling interests | **(2 797)** | 1 018 | 2 789 |
| | **(5 645)** | 2 027 | 5 621 |
| (Loss)/Profit for the period attributable to: | | | |
| Equity holders of the company | **(2 369)** | 492 | (146) |
| Non-controlling interests | **(2 425)** | 528 | 89 |
| | **(4 794)** | 1 020 | (57) |
| (Loss)/Earnings per share (cents) | **(1 337,7)** | 277,7 | (82,7) |
| Diluted (loss)/earnings per share (cents) | **(1 337,7)** | 277,7 | (82,7) |
| 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 | **14,88** | 12,25 | 15,53 |
| Average rate of exchange for the period: SA rand to US dollar | **15,39** | 11,83 | 12,75 |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2016

| R million | Unaudited Six months ended 30 June 2016 | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| Cash generated from operations (before items listed below) | **3 974** | 3 416 | 7 561 |
| Increase in container leasing equipment | **(3 414)** | (3 842) | (6 277) |
| Finance income received | **25** | 11 | 23 |
| Finance lease income received | **103** | 102 | 184 |
| Finance expenses paid | **(626)** | (479) | (1 037) |
| Decrease in finance leases | **405** | 379 | 823 |
| Receipts from long-term receivables | **98** | 134 | 257 |
| Payments to third parties in respect of long-term receivables | **(10)** | (22) | (39) |
| Dividends paid to equity holders of the company | **(390)** | (345) | (487) |
| Dividends paid to non-controlling interests | **(218)** | (338) | (665) |
| Income tax paid | **(24)** | (26) | (57) |
| Net cash (outflow)/inflow from operating activities | **(77)** | (1 010) | 286 |
| Cash inflow from investing activities | **12** | 205 | 321 |
| Cash (outflow)/inflow from financing activities | **(227)** | 648 | (556) |
| Net (decrease)/increase in cash and cash equivalents before exchange rate fluctuations | **(292)** | (157) | 51 |
| Cash and cash equivalents at the beginning of the period | **4 241** | 3 160 | 3 160 |
| Effects of exchange rate fluctuations on cash and cash equivalents | **(169)** | 186 | 1 030 |
| Cash and cash equivalents at the end of the period | **3 780** | 3 189 | 4 241 |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2016

| | Equity holders of the company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R million (unaudited) | 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 |
| ***Six months ended 30 June 2016*** | | | | | | | | | | |
| Balance at 1 January 2016 | **1** | **43** | **35** | **5 760** | **374** | **533** | **5 034** | **11 780** | **9 479** | **21 259** |
| **Total comprehensive loss for the period** | | | | | | | | | | |
| Loss for the period | **–** | **–** | **–** | **–** | **–** | **–** | **(2 369)** | **(2 369)** | **(2 425)** | **(4 794)** |
| Other comprehensive loss for the period | | | | | | | | | | |
| Foreign currency translation differences | **–** | **–** | **–** | **(444)** | **–** | **–** | **–** | **(444)** | **(372)** | **(816)** |
| Available-for-sale financial asset – change in fair value net of tax | **–** | **–** | **(7)** | **–** | **–** | **–** | **–** | **(7)** | **–** | **(7)** |
| Available-for-sale financial asset – reclassification to profit and loss | **–** | **–** | **(28)** | **–** | **–** | **–** | **–** | **(28)** | **–** | **(28)** |
| Total comprehensive loss for the period | **–** | **–** | **(35)** | **(444)** | **–** | **–** | **(2 369)** | **(2 848)** | **(2 797)** | **(5 645)** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | |
| Contributions by/(distributions to) owners | | | | | | | | | | |
| Share-based payments | **–** | **–** | **–** | **–** | **21** | **–** | **–** | **21** | **22** | **43** |
| Dividends | **–** | **–** | **–** | **–** | **–** | **–** | **(390)** | **(390)** | **(218)** | **(608)** |
| Total contributions by/(distributions to) owners | **–** | **–** | **–** | **–** | **21** | **–** | **(390)** | **(369)** | **(196)** | **(565)** |
| Changes in ownership interests in subsidiaries | **–** | **–** | **–** | **–** | **–** | **(7)** | **–** | **(7)** | **7** | **–** |
| Total transactions with owners | **–** | **–** | **–** | **–** | **21** | **(7)** | **(390)** | **(376)** | **(189)** | **(565)** |
| **Balance at 30 June 2016** | **1** | **43** | **–** | **5 316** | **395** | **526** | **2 275** | **8 556** | **6 493** | **15 049** |
| ***Six months ended 30 June 2015*** | | | | | | | | | | |
| Balance at 1 January 2015 | 1 | 43 | 52 | 2 774 | 334 | 342 | 5 722 | 9 268 | 7 953 | 17 221 |
| Restatement (Refer note 11) | – | – | – | (9) | – | – | (55) | (64) | (241) | (305) |
| Restated balance at 1 January 2015 | 1 | 43 | 52 | 2 765 | 334 | 342 | 5 667 | 9 204 | 7 712 | 16 916 |
| **Total comprehensive (loss)/income for the period** | | | | | | | | | | |
| Profit for the period (restated) | – | – | – | – | – | – | 492 | 492 | 528 | 1 020 |
| Other comprehensive (loss)/income for the period | | | | | | | | | | |
| Foreign currency translation differences (restated) | – | – | – | 534 | – | – | – | 534 | 490 | 1 024 |
| Available-for-sale financial asset – change in fair value net of tax (previously described as impairment) | – | – | (17) | – | – | – | – | (17) | – | (17) |
| Total comprehensive (loss)/income for the period (restated) | – | – | (17) | 534 | – | – | 492 | 1 009 | 1 018 | 2 027 |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | |
| Contributions by/(distributions to) owners | | | | | | | | | | |
| Share-based payments | – | – | – | – | 22 | – | – | 22 | 25 | 47 |
| Share options exercised | – | – | – | – | – | – | – | – | 2 | 2 |
| Dividends | – | – | – | – | – | – | (345) | (345) | (338) | (683) |
| Total contributions by/(distributions to) owners | – | – | – | – | 22 | – | (345) | (323) | (311) | (634) |
| Changes in ownership interests in subsidiaries | – | – | – | – | – | (14) | – | (14) | 14 | – |
| Total transactions with owners of the company | – | – | – | – | 22 | (14) | (345) | (337) | (297) | (634) |
| Balance at 30 June 2015 (restated) | 1 | 43 | 35 | 3 299 | 356 | 328 | 5 814 | 9 876 | 8 433 | 18 309 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2016

**1.** The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, 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 International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

| R million | **Unaudited Six months ended 30 June 2016** | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| **2. Revenue** | | | |
| Goods sold | **1 078** | 880 | 1 930 |
| Leasing income | **3 934** | 3 236 | 6 905 |
| Management fees | **80** | 74 | 156 |
| Finance income | **1** | 4 | 8 |
| | **5 093** | 4 194 | 8 999 |
| Realised and unrealised exchange differences | **(38)** | 55 | 278 |
| | **5 055** | 4 249 | 9 277 |

| R million | **Unaudited Six months ended 30 June 2016** | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| **3. Operating (loss)/profit before net finance expenses** | | | |
| Other significant items which have been included in operating (loss)/profit before net finance expenses: | | | |
| Depreciation | **2 377** | 1 112 | 2 601 |
| Impairment losses incurred – financial assets | **463** | 21 | 101 |
| Write-down of inventories | **734** | 93 | 430 |

| R million | Unaudited Six months ended 30 June 2016 | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| **4. Impairment of property, plant and equipment** | | | |
| Container leasing equipment | | | |
| Impairment recognised at end of reporting period | **3 615** | – | 1 770 |
| Impairment recognised in respect of containers on operating leases not recovered from defaulting customers | **–** | 2 | 142 |
| | **3 615** | 2 | 1 912 |

An impairment loss has been recognised at 30 June 2016, reducing the carrying value of container leasing equipment to its recoverable amount. For the purposes of calculating the impairment loss, the container fleets were grouped by ownership entity and then 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 rates used to discount the future estimated cash flows were 4,99% and 6,77% for Textainer and TAC, respectively. Projected future cash flows were estimated using the assumptions that are part of the long-term planning forecasts of the entities concerned. These projected future cash flow assumptions have weakened during the period as a result of a further decline in market conditions. Some of the significant estimates and assumptions used to determine future estimated cash flows were: estimated future lease rates, estimated utilisation, remaining useful lives, remaining on-hire periods for expired fixed-term leases, estimated future lease rates, direct container expenses and estimated 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.

| R million | Unaudited Six months ended 30 June 2016 | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| **5. Net finance expenses** | | | |
| Finance expenses | **934** | 583 | 1 199 |
| Interest expense – Textainer | **581** | 434 | 922 |
| Interest expense – TAC | **57** | 48 | 103 |
| Realised and unrealised losses on derivative financial instruments | **296** | 101 | 174 |
| Finance income | | | |
| Interest income – cash and cash equivalents | **(25)** | (11) | (23) |
| | **909** | 572 | 1 176 |
| **6. Headline (loss)/earnings** | | | |
| (Loss)/Profit attributable to equity holders of the company | **(2 369)** | 492 | (146) |
| Impairment of property, plant and equipment | **3 615** | 2 | 1 912 |
| Compensation receivable from third party in respect of impairment of property, plant and equipment | **–** | – | (98) |
| Available-for-sale financial – asset reclassification from other comprehensive income | **(33)** | – | – |
| Total tax effects of adjustments | **(50)** | – | (24) |
| Total non-controlling interests' share of adjustments | **(1 737)** | (1) | (736) |
| Headline (loss)/earnings | **(574)** | 493 | 908 |
| Weighted average number of shares in issue (million) | **177,1** | 177,1 | 177,1 |
| Headline (loss)/earnings per share (cents) | **(324,1)** | 278,2 | 512,6 |
| Diluted headline (loss)/earnings per share (cents) | **(324,1)** | 278,2 | 512,6 |
| Adjusted headline (loss)/earnings | | | |
| Headline (loss)/earnings (as above) | **(574)** | 493 | 908 |
| Net unrealised foreign exchange losses/(gains) on translation of long-term receivables | **24** | (36) | (171) |
| Total tax effects of adjustments | **(7)** | 10 | 48 |
| Adjusted headline (loss)/earnings | **(557)** | 467 | 785 |
| Undiluted adjusted headline (loss)/earnings per share (cents) | **(314,6)** | 263,6 | 443,3 |
| Diluted adjusted headline (loss)/earnings per share (cents) | **(314,6)** | 263,6 | 443,3 |

| R million | Unaudited Six months ended 30 June 2016 | Unaudited Restated Six months ended 30 June 2015 | Audited Year ended 31 December 2015 |
|---|---|---|---|
| **7. Segmental reporting** | | | |
| Revenue | | | |
| Reportable segments | | | |
| Containers – finance (including exchange differences) | **(36)** | 60 | 288 |
| Containers – owning, leasing, management and trading | **5 091** | 4 189 | 8 989 |
| | **5 055** | 4 249 | 9 277 |
| Operating (loss)/profit before net finance expenses | | | |
| Reportable segments | | | |
| Containers – finance | **21** | 48 | 200 |
| Containers – owning, leasing, management and trading | **(3 987)** | 1 596 | 1 004 |
| | **(3 966)** | 1 644 | 1 204 |
| Unallocated | **13** | (9) | (33) |
| | **(3 953)** | 1 635 | 1 171 |
| (Loss)/Profit before tax | | | |
| Reportable segments | | | |
| Containers – finance | **21** | 48 | 200 |
| Containers – owning, leasing, management and trading | **(4 938)** | 1 019 | (185) |
| | **(4 917)** | 1 067 | 15 |
| Unallocated | **35** | 1 | (11) |
| | **(4 882)** | 1 068 | 4 |
| **Assets** | | | |
| Capital expenditure incurred by the container owning, leasing, management and trading segment | **3 830** | 3 478 | 6 095 |

**8. Financial instruments**

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

| R million | Unaudited 30 June 2016 Carrying amount | Unaudited 30 June 2016 Fair value | Unaudited 30 June 2015 Carrying amount | Unaudited 30 June 2015 Fair value | Audited 31 December 2015 Carrying amount | Audited 31 December 2015 Fair value |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Equity securities – available for sale: | | | | | | |
| Other investments | **–** | **–** | 45 | 45 | 45 | 45 |
| Designated at fair value through profit or loss: | | | | | | |
| Long-term receivables | **576** | **576** | 601 | 601 | 640 | 640 |
| Held for trading: | | | | | | |
| Derivative financial instruments | **–** | **–** | 13 | 13 | 10 | 10 |
| Loans and receivables: | | | | | | |
| Restricted cash | **445** | **445** | 459 | 459 | 450 | 450 |
| Trade and other receivables | **1 515** | **1 515** | 1 390 | 1 390 | 1 793 | 1 793 |
| Cash and cash equivalents | **3 780** | **3 780** | 3 189 | 3 189 | 4 241 | 4 241 |
| Other: | | | | | | |
| Net investment in finance leases | **2 774** | **2 741*** | 2 138 | 2 113 | 2 223 | 2 203 |
| | **9 090** | **9 057** | 7 835 | 7 810 | 9 402 | 9 382 |
| **Liabilities** | | | | | | |
| Liabilities at amortised cost: | | | | | | |
| Interest-bearing borrowings (excluding debt issuance costs) (June 2015 restated) | **45 749** | **45 301** | 38 763 | 38 784 | 47 935 | 47 711 |
| Trade and other payables | **1 592** | **1 592** | 812 | 812 | 1 170 | 1 170 |
| Designated at fair value through profit or loss: | | | | | | |
| Amounts attributable to third parties in respect of long-term receivables | **82** | **82** | 95 | 95 | 85 | 85 |
| Held for trading: | | | | | | |
| Derivative financial instruments | **248** | **248** | 53 | 53 | 40 | 40 |
| | **47 671** | **47 223** | 39 723 | 39 744 | 49 230 | 49 006 |

* The amounts receivable under finance leases relating to Hanjin (refer note 10), which represent 29.2% of the total carrying amount, have been impaired to the current best estimate of the fair value of the containers which serve as collateral. The determination of this fair value is influenced primarily by the container type, age, location and condition, among other factors, some of which are difficult to determine with regard to the containers on lease to Hanjin for the reasons mentioned in the commentary. It is impracticable to disclose the extent of the possible effects of changes to these fair value assumptions at 30 June 2016, and it is reasonably possible, on the basis of existing knowledge, that outcomes in the future that are different from the fair value assumptions made at 30 June 2016 could require an adjustment to the carrying amount of the assets affected.


8. **Financial instruments** (continued)

**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. Textainer uses FINCAD Analytics Suite, a third-party valuation software, to perform the fair valuation of its interest rate swap transactions. The fair valuation of interest rate swaps is derived from the discounting of future net cash flows utilising the US dollar swap curve (US$ LIBOR) and incorporates an appropriate credit risk adjustment.

Level 3: Unobservable inputs for the asset or liability.

| R million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| *At 30 June 2016 (unaudited)* | | | | |
| Assets | | | | |
| Long-term receivables | **–** | **–** | **576** | **576** |
| Liabilities | | | | |
| Amounts attributable to third parties in respect of long-term receivables | **–** | **–** | **82** | **82** |
| Derivative financial instruments | **–** | **248** | **–** | **248** |
| | **–** | **248** | **82** | **330** |
| *At 30 June 2015 (unaudited)* | | | | |
| Assets | | | | |
| Other investments | – | 45 | – | 45 |
| Long-term receivables | – | – | 601 | 601 |
| Derivative financial instruments | – | 13 | – | 13 |
| | – | 58 | 601 | 659 |
| Liabilities | | | | |
| Amounts attributable to third parties in respect of long-term receivables | – | – | 95 | 95 |
| Derivative financial instruments | – | 53 | – | 53 |
| | – | 53 | 95 | 148 |
| *At 31 December 2015 (audited)* | | | | |
| 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 |

Details of the determination of Level 3 fair value measurements during the six months ended 30 June 2016 are set out below:

Long-term receivables and amounts 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 (2015: 8,5%), and amounts attributable to third parties in respect of long-term receivables is 10% per annum (2015: 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=R14,88 (30 June 2015 US$1=R12,25 and 31 December 2015 US$1=R15,53).

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 |
|---|---|---|---|
| *Six months ended 30 June 2016 (unaudited)* | | | |
| Balance at the beginning of the period | **640** | **(85)** | **555** |
| Total gains/(losses) in profit or loss | **32** | **(7)** | **25** |
| Settlements | **(98)** | **10** | **(88)** |
| Balance at the end of the period | **574** | **(82)** | **492** |
| *Six months ended 30 June 2015 (unaudited)* | | | |
| Balance at the beginning of the period | 679 | (115) | 564 |
| Total gains/(losses) in profit or loss | 56 | (2) | 54 |
| Settlements | (134) | 22 | (112) |
| Balance at the end of the period | 601 | (95) | 506 |
| *Year ended 31 December 2015 (audited)* | | | |
| Balance at the beginning of the year | 679 | (115) | 564 |
| 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 six months in the above table are presented in the statement of comprehensive income as follows:

| | | | |
|---|---|---|---|
| *Six months to 30 June 2016 (unaudited)* | | | |
| Total gains/(losses) included in profit or loss for the period | | | |
| Operating profit | **32** | **(8)** | **24** |
| Associate tax credit | **–** | **1** | **1** |
| Total unrealised gains for the period included in profit or loss for assets and liabilities held at the end of the period | | | |
| Operating profit | **14** | **(5)** | **9** |
| *Six months to 30 June 2015 (unaudited)* | | | |
| Total gains included in profit or loss for the period | | | |
| Operating profit | 56 | (3) | 53 |
| Associate tax credit | – | 1 | 1 |
| Total unrealised gains for the period included in profit or loss for assets and liabilities held at the end of the period | | | |
| Operating profit | 25 | 1 | 26 |
| *Year ended 31 December 2015 (audited)* | | | |
| 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 |

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 | Increase/(Decrease) in unobservable inputs | **Unaudited 30 June 2016** | Unaudited 30 June 2015 | Audited 31 December 2015 |
|---|---|---|---|---|
| | | Favourable/(Unfavourable) impact on profit or loss | | |
| Interest rates – discount rate: | | | | |
| Long-term receivables | 100 basis points | **(18)** | (19) | (21) |
| | (100) basis points | **18** | 19 | 21 |
| Amounts attributable to third parties in respect of long-term receivables | 100 basis points | **2** | 3 | 2 |
| | (100) basis points | **(2)** | (3) | (2) |
| Exchange rates (SA rand to US dollar): | | | | |
| Long-term receivables | 1% | **4** | 4 | 6 |
| | (1%) | **(4)** | (4) | (6) |

**9. Change in estimate**

Residual values of the container fleets have been reassessed at 30 June 2016. The useful lives of certain container types have also been extended. In accordance with IAS 16 *Property, Plant and Equipment* residual values are the estimated amounts that the entities 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 at the end of their useful lives. The reassessment of residual values and useful lives are accounted for prospectively as a change in accounting estimate from the date of change in estimate, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The consequence of the reassessment of residual values and the useful lives is an estimated increase of R493 million in the depreciation charge for the remainder of the year over what it would have been had the residual values and useful lives not been revised. This estimate presumes no material changes to the composition of the container fleets and no significant changes for the next six months to market factors prevailing at 30 June 2016. Changes in these factors will influence the depreciation that may be charged in future periods.

**10. Event after reporting period**

On 31 August 2016, Hanjin filed in South Korea for protection from its creditors, and a receiver was appointed on 1 September 2016. On 2 September 2016, Hanjin also filed for protection in the United States of America under Chapter 15 of the US Bankruptcy Code. At this time it is not clear if Hanjin will be able to restructure and resume operations under court order protection or will be forced to liquidate in bankruptcy. For more information on this event after the reporting period refer to the commentary above.

**11. Restatement**

Note 35 to the annual financial statements for the year ended 31 December 2015 noted a restatement in respect of 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. The comparative amounts in these condensed consolidated interim financial statements have been restated to account for the effect for the six months ended and at 30 June 2015.

| R million | Amount previously reported | Change | Restated amount |
|---|---|---|---|
| **Condensed consolidated statement of financial position** | | | |
| *at 1 January 2015* | | | |
| Intangible assets and goodwill | 288 | 128 | 416 |
| Others | 53 641 | – | 53 641 |
| Total assets | 53 929 | 128 | 54 057 |
| Interest-bearing borrowings | (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 income | (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) |
| *at 30 June 2015* | | | |
| Intangible assets and goodwill | 277 | 136 | 413 |
| Others | 57 723 | – | 57 723 |
| Total assets | 58 000 | 136 | 58 136 |
| Interest-bearing borrowings | (36 517) | (424) | (36 941) |
| Current portion of interest-bearing borrowings | (1 501) | (26) | (1 527) |
| Others | (1 359) | – | (1 359) |
| Total liabilities | (39 377) | (450) | (39 827) |
| Retained income | (5 865) | 51 | (5 814) |
| Foreign currency translation reserve | (3 312) | 13 | (3 299) |
| Non-controlling interests | (8 683) | 250 | (8 433) |
| Others | (763) | – | (763) |
| Total equity | (18 623) | 314 | (18 309) |
| Total equity and liabilities | (58 000) | (136) | (58 136) |

| R million | Amount previously reported | Change | Restated amount |
|---|---|---|---|
| **Condensed consolidated statement of comprehensive income** | | | |
| *for the six months ended 30 June 2015* | | | |
| Net finance expenses | (562) | (10) | (572) |
| Others | 1 592 | – | 1 592 |
| Profit for the period | 1 030 | (10) | 1 020 |
| Other comprehensive income | | | |
| Foreign currency translation differences | 1 043 | (19) | 1 024 |
| Others | (17) | – | (17) |
| Total comprehensive income for the profit | 2 056 | (29) | 2 027 |
| Total comprehensive income for the profit attributable to: | | | |
| Equity holders of the company | 1 009 | – | 1 009 |
| Non-controlling interests | 1 047 | (29) | 1 018 |
| | 2 056 | (29) | 2 027 |
| Profit for the year attributable to: | | | |
| Equity holders of the company | 488 | 4 | 492 |
| Non-controlling interests | 542 | (14) | 528 |
| | 1 030 | (10) | 1 020 |
| Earnings per share (cents) | 275,3 | 2,4 | 277,7 |
| Diluted earnings per share (cents) | 275,3 | 2,4 | 277,7 |
| Headline earnings per share (cents) | 275,8 | 2,4 | 278,2 |
| Diluted headline earnings per share (cents) | 275,8 | 2,4 | 278,2 |
| Adjusted headline earnings per share (cents) | 261,2 | 2,4 | 263,6 |
| Diluted adjusted headline earnings per share (cents) | 261,2 | 2,4 | 263,6 |
| **Condensed consolidated statement of cash flows** | | | |
| *for the six months ended 30 June 2015* | | | |
| Cash generated from operations | 3 416 | – | 3 416 |
| Dividends paid to non-controlling interests | (358) | 20 | (338) |
| Others | (4 088) | – | (4 088) |
| Net cash outflow from operating activities | (1 030) | 20 | (1 010) |
| Cash inflow from investing activities | 205 | – | 205 |
| Cash inflow from financing activities | 668 | (20) | 648 |
| Net decrease in cash and cash equivalents before exchange rate fluctuations | (157) | – | (157) |
| Cash and cash equivalents at the beginning of the period | 3 160 | – | 3 160 |
| Effects of exchange rate fluctuations on cash and cash equivalents | 186 | – | 186 |
| Cash and cash equivalents at the end of the period | 3 189 | – | 3 189 |

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 unaudited amounts stated in US dollars have been prepared by management and have been calculated by translating the assets and liabilities at the period-end rate of exchange, income statement items at the average rate of exchange with the difference allocated to the foreign currency translation reserve included in equity.

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT IN US DOLLARS

for the six months ended 30 June 2016

| US$ million | **Unaudited Six months ended 30 June 2016** | Unaudited Restated* Six months ended 30 June 2015 | Unaudited Year ended 31 December 2015 |
|---|---|---|---|
| Revenue | **330,7** | 354,7 | 707,5 |
| Trading (loss)/profit before items listed below | **(27,3)** | 133,5 | 217,7 |
| Realised and unrealised exchange (losses)/gains on translation of long-term receivables, excluding fair value adjustment | **(0,3)** | 0,2 | 1,5 |
| Fair value adjustment on net long-term receivables | **3,3** | 1,3 | 2,4 |
| Impairment of property, plant and equipment | **(242,9)** | (0,2) | (125,2) |
| Available-for-sale financial asset – reclassification from other comprehensive income | **2,1** | – | – |
| Compensation receivable from third party in respect of impairment of property, plant and equipment | **–** | – | 7,7 |
| Operating (loss)/profit before net finance expenses | **(265,1)** | 134,8 | 104,1 |
| Net finance expenses | **(59,0)** | (48,3) | (92,1) |
| Finance expenses – Interest expense | **(41,4)** | (40,8) | (80,4) |
| Finance expenses – Realised and unrealised losses on derivative financial instruments | **(19,3)** | (8,4) | (13,6) |
| Finance income – Interest income | **1,7** | 0,9 | 1,9 |
| Share of (loss)/profit of equity accounted investee (net of tax) | **(1,3)** | 0,4 | 0,7 |
| (Loss)/Profit before tax | **(325,4)** | 86,9 | 12,7 |
| Income tax (credit)/expense | **(5,2)** | 3,4 | 1,9 |
| (Loss)/Profit for the period | **(320,2)** | 83,5 | 10,8 |
| Attributable to: | | | |
| Equity holders of the company | **(158,6)** | 38,8 | (6,3) |
| Non-controlling interests | **(161,6)** | 44,7 | 17,1 |
| | **(320,2)** | 83,5 | 10,8 |
| 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 |
| (Loss)/Earnings per share (US cents) | **(89,6)** | 21,9 | (3,6) |
| Diluted (loss)/earnings per share (US cents) | **(89,6)** | 21,9 | (3,6) |
| Headline (loss)/earnings per share (US cents) | **(21,4)** | 22,0 | 35,0 |
| Diluted headline (loss)/earnings per share (US cents) | **(21,4)** | 22,0 | 35,0 |
| Adjusted headline (loss)/earnings per share (US cents) | **(21,3)** | 21,7 | 34,2 |
| Diluted adjusted headline (loss)/earnings per share (US cents) | **(21,3)** | 21,7 | 34,2 |
| Period-end rate of exchange: SA rand to US dollar | **14,88** | 12,25 | 15,53 |
| Average rate of exchange for the period: SA rand to US dollar | **15,39** | 11,83 | 12,75 |
| Trading (loss)/profit from operations comprises: | | | |
| Textainer and TAC | **(24,9)** | 135,2 | 221,0 |
| Other | **(2,4)** | (1,7) | (3,3) |
| | **27,3** | 133,5 | 217,7 |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN US DOLLARS

at 30 June 2016

| US$ million | **Unaudited 30 June 2016** | Unaudited Restated* 30 June 2015 | Unaudited 31 December 2015 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | **3 519,8** | 4 012,4 | 3 840,1 |
| Long-term receivables | **30,6** | 36,0 | 36,0 |
| Other non-current assets | **193,9** | 208,1 | 165,3 |
| Total non-current assets | **3 744,3** | 4 256,5 | 4 041,4 |
| Total current assets | **473,3** | 489,5 | 504,1 |
| Inventories | **29,5** | 40,2 | 49,3 |
| Trade and other receivables | **120,7** | 122,3 | 124,3 |
| Current portion of long-term receivables | **8,1** | 13,1 | 8,6 |
| Current portion of net investment in finance leases | **61,0** | 53,6 | 48,8 |
| Cash and cash equivalents | **254,0** | 260,3 | 273,1 |
| Total assets | **4 217,6** | 4 746,0 | 4 545,5 |
| **EQUITY** | | | |
| Equity attributable to equity holders of the company | **575,1** | 805,7 | 758,6 |
| Non-controlling interests | **436,4** | 689,1 | 610,4 |
| Total equity | **1 011,5** | 1 494,8 | 1 369,0 |
| **LIABILITIES** | | | |
| Interest-bearing borrowings | **2 952,7** | 3 015,6 | 2 962,4 |
| Amounts attributable to third parties in respect of long-term receivables | **4,5** | 5,8 | 4,5 |
| Derivative financial instruments | **16,7** | 4,3 | 2,6 |
| Deferred revenue | **2,4** | 2,7 | 2,5 |
| Deferred tax liabilities | **9,1** | 18,5 | 17,5 |
| Total non-current liabilities | **2 985,4** | 3 046,9 | 2 989,5 |
| Total current liabilities | **220,7** | 204,3 | 187,0 |
| Trade and other payables | **107,0** | 66,3 | 75,3 |
| Current tax liabilities | **11,3** | 11,0 | 9,3 |
| Current portion of amounts attributable to third parties in respect of long-term receivables | **0,9** | 2,0 | 0,9 |
| Current portion of interest-bearing borrowings | **101,2** | 124,7 | 101,2 |
| Current portion of deferred revenue | **0,3** | 0,3 | 0,3 |
| Total liabilities | **3 206,1** | 3 251,2 | 3 176,5 |
| Total equity and liabilities | **4 217,6** | 4 746,0 | 4 545,5 |
| Ratio to total equity: | | | |
| Total liabilities (%) | **317,0** | 217,5 | 232,1 |
| Interest-bearing debt (%) | **302,0** | 210,1 | 223,8 |

* Refer note 11. The restatements have been reflected in US dollars in line with the basis of US dollar preparation above.