



2005

TRENCOR LIMITED
MOBILE INDUSTRIES LIMITED
ANNUAL REPORTS

TRENCOR
50.75

FIFTY YEARS SINCE LISTING
ON THE JOHANNESBURG STOCK
EXCHANGE

SEVENTY-FIVE YEARS SINCE
STARTING BUSINESS AS JD DU PLESSIS
AND COMPANY

TRENCOR



50.75

Trencor Limited is a holding company quoted on the JSE.

The group's core business focus worldwide is:

- owning, leasing and managing marine cargo containers;
- owning and leasing various types of returnable packaging units (such as beer kegs) together with the appropriate technology and hardware, including transponders and software systems;
- supply chain and other mobile asset management services; and finance related activities.



CONTENTS	GROUP PROFILE	I
	DIRECTORS	3
	HIGHLIGHTS	3
	GROUP CHART	4
	GRAPHS	5
	TEN YEAR REVIEW	6
	CHAIRMAN'S STATEMENT	7
	REVIEW OF OPERATIONS	8
	CORPORATE GOVERNANCE	II
	ANNUAL FINANCIAL STATEMENTS	17
	ADDITIONAL INFORMATION: TRENCOR	64
	ADDITIONAL INFORMATION: TEXTAINER	66
	CORPORATE INFORMATION	68
	ANALYSIS OF SHARE AND DEBENTURE HOLDERS	68
	DIRECTORATE: BRIEF RÉSUMÉS	69
	DIARY	69
	NOTICE TO SHAREHOLDERS	70
	FORM OF PROXY	73
	MOBILE INDUSTRIES LIMITED ANNUAL REPORT 2005	76

DIRECTORS

* N I JOWELL	CHAIRMAN
* H R VAN DER MERWE	MANAGING
H A GORVY	INDEPENDENT
J E HOELTER USA	INDEPENDENT
C JOWELL	
* J E McQUEEN	
D M NUREK	INDEPENDENT
E OBLOWITZ	INDEPENDENT
* EXECUTIVE	

AUDIT COMMITTEE	EXECUTIVE COMMITTEE	MANAGEMENT
E OBLOWITZ CHAIRMAN	N I JOWELL CHAIRMAN	TEXTAINER: J A MACCARONE USA (PRESIDENT AND CHIEF EXECUTIVE OFFICER)
H A GORVY	C JOWELL	TRENSTAR: E R FLAHERTY USA (CHIEF OPERATING OFFICER)
J E HOELTER	J E McQUEEN	
D M NUREK	H R VAN DER MERWE	

REMUNERATION COMMITTEE	NOMINATION COMMITTEE
D M NUREK CHAIRMAN	D M NUREK CHAIRMAN
N I JOWELL	H A GORVY
	C JOWELL

Brief résumés of the directors are presented on page 69.

HIGHLIGHTS

		2005	2004	2003
TRADING PROFIT AFTER NET INTEREST EXPENSE	RM	480	366	273
	US\$M	75	57	35
PROFIT/(LOSS) BEFORE TAXATION	RM	744	222	(101)
	US\$M	100	57	29
HEADLINE EARNINGS/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	RM	407	121	(166)
	US\$M	51	34	9
HEADLINE EARNINGS/(LOSS) PER SHARE	SA CENTS	262	78	(108)
	US CENTS	33	22	6
² ADJUSTED HEADLINE EARNINGS/(LOSS) PER SHARE	SA CENTS	281	90	(108)
	US CENTS	36	24	6
NET ASSET VALUE PER SHARE	SA CENTS	1 278	962	980
	US CENTS	203	171	148
³ GEARING				
WITH TEXTAINER AND BLI CONSOLIDATED	%	169	187	174
⁴ WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	%	14	17	24

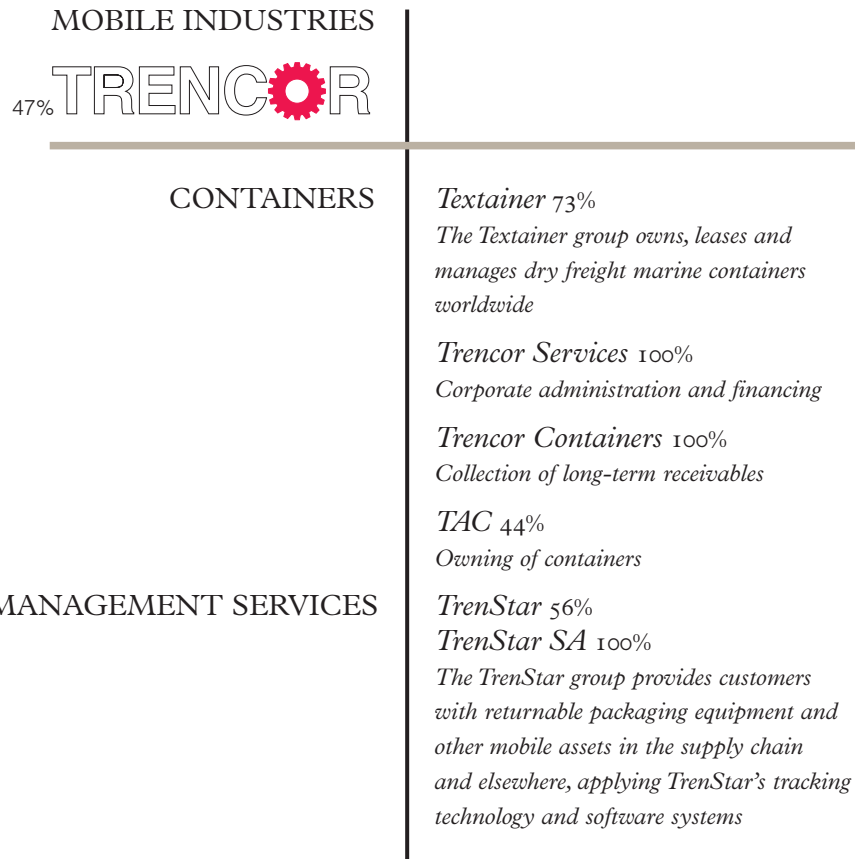
1 Comparative information for 2004 has been restated for the effects of adopting IFRS and the change in derivative accounting by Textainer (refer to note 39 to the financial statements). Comparative information for 2003 has not been restated.

2 Refer to note 29 to the financial statements.

3 Ratio of interest-bearing debt, excluding convertible debentures, to aggregate of total shareholders' equity and convertible debentures.

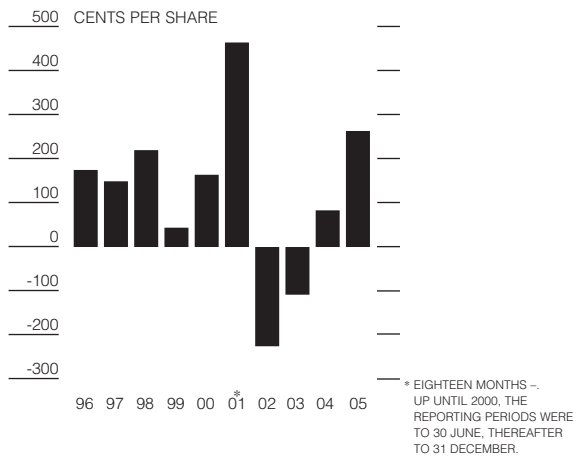
4 Debt in the Textainer group and BLI (Brewers Logistics International) is ring-fenced, without recourse to Tencor.

GROUP CHART

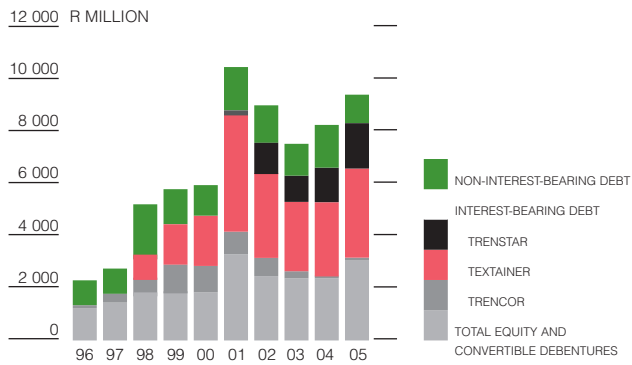
Group chart

GRAPHS

HEADLINE EARNINGS PER SHARE (UNDILUTED)



FUNDING OF TOTAL ASSETS



TEN YEAR REVIEW

Ten year
review

	05 RM	04 ¹ RM	03 RM	02 RM	01 ² RM	00 RM	99 RM	98 RM	97 RM	96 RM
OPERATING RESULTS										
REVENUE	2 100	1 120	732	589	4 436	1 780	1 464	1 550	1 415	1 317
PROFIT/(LOSS) BEFORE TAXATION	744	222	(101)	(455)	1 150	(144)	23	483	316	371
HEADLINE EARNINGS/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	407	121	(166)	(352)	711	248	65	335	224	261
BALANCE SHEET SUMMARY										
SHAREHOLDERS' EQUITY	1 990	1 482	1 506	1 733	2 324	1 313	1 418	1 370	1 105	895
MINORITY INTEREST	824	553	522	460	635	186	148	139	26	24
TOTAL EQUITY	2 814	2 035	2 028	2 193	2 959	1 499	1 566	1 509	1 131	919
CONVERTIBLE DEBENTURES	261	261	261	261	261	261	261	261	261	261
INTEREST-BEARING DEBT	5 181	4 295	3 981	5 026	5 566	2 978	2 606	1 984	339	131
FUNDING OF TOTAL NET ASSETS	8 256	6 591	6 270	7 480	8 786	4 738	4 433	3 754	1 731	1 311
PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTIES	6 315	5 596	4 789	5 653	6 113	2 684	2 364	2 018	232	197
OTHER NON-CURRENT ASSETS	1 702	1 605	1 842	2 270	3 177	2 376	2 291	2 242	1 846	1 319
CURRENT ASSETS	1 366	996	850	1 044	1 116	848	1 111	918	628	676
TOTAL ASSETS	9 383	8 197	7 481	8 967	10 406	5 908	5 766	5 178	2 706	2 192
NON-INTEREST-BEARING LIABILITIES	1 127	1 606	1 211	1 487	1 620	1 170	1 333	1 424	975	881
TOTAL NET ASSETS	8 256	6 591	6 270	7 480	8 786	4 738	4 433	3 754	1 731	1 311
STATISTICS										
NUMBER OF ISSUED SHARES (MILLION)	156	154	154	153	153	153	153	153	151	149
EQUITY BOOK VALUE PER SHARE (CENTS)	1 278	962	980	1 132	1 521	859	928	896	731	600
HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS) - UNDILUTED	262	78	(108)	(230)	465	162	43	220	149	177
DIVIDENDS PER SHARE (CENTS)	40	12	-	-	-	-	28	48	43	43
DIVIDEND COVER BASED ON HEADLINE EARNINGS (TIMES)	6,6	6,5	-	-	-	-	1,5	4,6	3,5	4,1
LIQUIDITY (%)										
RATIO TO AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES										
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	205	257	227	265	223	236	216	193	94	86
INTEREST-BEARING DEBT EXCLUDING CONVERTIBLE DEBENTURES	169	187	174	205	173	169	143	112	24	11
CURRENT RATIO (TIMES)	1,3	0,8	0,9	0,9	0,9	1,0	1,3	1,3	1,6	1,6
PROFITABILITY BASED ON HEADLINE EARNINGS (%)										
TAXED PROFIT/(LOSS) TO TOTAL EQUITY	26	6	(3)	(12)	24	19	5	26	22	34
TAXED PROFIT BEFORE INTEREST TO TOTAL ASSETS	10	6	2	-	10	9	5	11	11	13
TAXED PROFIT BEFORE INTEREST TO TOTAL NET ASSETS	12	7	3	-	12	11	7	15	17	22
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS TO SHAREHOLDERS' EQUITY	23	8	(10)	(17)	26	18	5	27	22	34
NUMBER OF EMPLOYEES	528	408	702	687	591	1 263	2 676	2 542	5 126	5 475

1 Comparative information for 2004 has been restated for the effects of adopting IFRS and the change in derivative accounting by Textainer (refer to note 39 to the financial statements). Comparative information for 2003 and prior periods has not been restated.

2 18 months. Up until 2000, the reporting periods were to 30 June, thereafter to 31 December.

CHAIRMAN'S STATEMENT

*Chairman's
statement*

Trencor performed very well in the past year, largely due to Textainer's excellent results. Trading profit, after net interest, increased by 31% to US\$75 million from US\$57 million in 2004. In rand terms, it grew by the same percentage to R480 million. Adjusted undiluted headline earnings per share were 36,1 US cents (2004: 23,8 US cents) or 281,3 SA cents (2004: 90,2 SA cents). The board declared a final dividend of 30 SA cents per share making a total of 40 SA cents per share for the year (2004: 12 SA cents).

This year, for the first time, we are required to report under International Financial Reporting Standards and, where applicable, comparative figures have been restated to accord with the new requirements. These restatements are detailed elsewhere in the annual financial statements.

We have again published a summary of our results as well as unaudited income statements and balance sheets in US dollars. The purpose is to facilitate interpretation of the results and more easily assess the impact of changes in the R/US\$ exchange rate. We are pleased to learn that this has proved useful to readers of our financial statements.

In 2005 we celebrated 75 years since the business started and 50 years since listing on the JSE. We are proud to note that Trencor was a leader in a recent authoritative survey of 30 year growth. A shareholder who invested in Trencor on 1 January 1975 and reinvested dividends would to 30 September 2005 have enjoyed a total return in excess of 30% per annum over the period. Put another way, R1 000 invested then would now be worth about R4 million.

It is just over a year ago that we settled a long-standing query from the South African Revenue Service. The removal of that uncertainty in the minds of third parties has significantly benefited our business and the many relationships that are part of it.

At the last annual general meeting, the possibility of reviewing the shareholding structure of the Trencor and Mobile group was discussed. Various possibilities that may affect the group structure are being investigated.

TRADING

TEXTAINER

The container leasing industry enjoyed an exceptional year and in this context our business achieved outstanding results. All of Textainer's divisions performed well and we believe the company has raised the platform of its business. As forecast a year ago, the favourable trading conditions continued for most of the year. Its excellent management team was able to take advantage of these conditions and profits in 2005 grew by 18,0% to US\$61,6 million. This included US\$4,9 million and US\$5,8 million in unrealised gains on derivative instruments in 2005 and 2004 respectively. The resale division had an outstanding year. It sold 50 000 containers and, in the strong market of 2005, the good margins achieved were a significant contributor to the year's results.

The shipping lines had ordered new containers heavily in the good conditions of 2004 and 2005 – leading to oversupply in the second half of 2005. As a consequence the market turned down significantly towards the end of the third quarter of 2005 and in early March 2006 Textainer's fleet utilisation reached a low point of 88,6%. Although we have planned on the basis that this reduced level will continue for most of 2006, there has been a slight up-tick since this low point.

Accordingly, we only purchased 78 454 TEU (twenty-foot equivalent unit) of new containers compared to our

expectation early in the year of 150 000 TEU. The year ended with fleet utilisation at 90,3% compared to the average for the year of 91,9% and a high of 96,7% in October 2004. The price of new containers reflected these conditions – peaking at about US\$2 300 in June/July 2005 and declining to about US\$1 400 by February 2006.

We have further reduced the volatility of earnings by raising the portion of our owned fleet on long-term lease to 75% (2004: 70%).

Despite a reduction in the company's gearing, Textainer's return of earnings to equity has improved. With continuing strong cash flow and an able management team, we have been actively seeking acquisitions in, or closely related to, its main business. The company is continuing this initiative and hopes weaker trading conditions may result in success.

The good trading conditions in the container industry have also improved collections from our long-term receivables and led to improved cash flow and a reduction in the attributable valuation adjustment.

TRENSTAR

TrenStar Inc again fell short of our expectations. This was mainly due to reduced demand in the UK for beer in kegs and continued delays in concluding large contracts for new business. The lack of a stronger balance sheet hampers the business in certain aspects, and we have engaged an international merchant bank to review the business and advise on alternatives for its future which could include raising capital or merging the business with that of a competitor.

TrenStar SA on the other hand improved its performance and made a positive contribution to earnings. It also made good progress in growing its supply chain services business, particularly in the automotive industry.

LEVERAGE AND FUNDING

The group's borrowings are mainly asset based: US\$541 million (R3,4 billion) in Textainer and US\$275 million (R1,7 billion) in TrenStar Inc. Against this, 97% of the group's assets are based in foreign currencies, mainly US dollars and UK pounds. At year-end there was only US\$3 million in debt at the centre and this has since been reduced to zero.

PROSPECTS

In view of the more difficult trading conditions in the container leasing business, we expect lower earnings from Textainer. Corrective action we are taking at TrenStar may not have a significant effect this year. Accordingly, we are anticipating a small reduction in Trencor's US dollar-based earnings in 2006.

*

It is a pleasure to acknowledge the outstanding contribution made during the year by our dedicated personnel. I am also grateful to my co-directors for the guidance, wisdom and judgement they apply to the business of Trencor.



N I JOWELL 29 MARCH 2006

Review of operations

TEXTAINER

www.textainer.com

Textainer Group Holdings Ltd, our 73% offshore subsidiary is primarily engaged in owning and leasing standard and special dry freight marine cargo containers to global transportation companies. The company had an excellent year, with profit after tax of US\$55,3 million, up from the previous record of US\$46,4 million achieved in 2004. These amounts exclude the effects of the changes required to be made by Textainer in accounting for its derivative instruments, referred to below.

Textainer has determined that it may not use hedge accounting for certain interest rate swaps taken out to hedge economic risk, notwithstanding that the swaps had been economically effective. It is therefore required to account on the basis that the net result of the marked-to-market valuation of these instruments flows through the income statement. In the past, these adjustments have been charged or credited direct to equity in accordance with the principles of hedge accounting. The net result of this non-cash change is an increase in Textainer's 2005 earnings of US\$4,9 million (2004: US\$5,8 million).

Taking these changes into account, Textainer's reported earnings for 2005 were US\$61,6 million (2004: US\$52,2 million). Its contribution to Trenchor's adjusted headline earnings for the same period was US\$45,0 million or R284,8 million (US\$38,0 million or R241,8 million in 2004).

Average fleet utilisation for the year was 91,9% (2004: 93,2%) and the actual utilisation at the end of March 2006 was 89,7%.

Textainer's customers include virtually all of the leading international shipping lines. They are served by Textainer's own offices, agents and depots strategically located in markets throughout the world. Textainer's carefully designed specifications, in-house production quality control, depot selection and audit programme are all part of a system built to control customers' costs and provide a high-quality container service.

In addition to its own fleet, Textainer manages containers for a number of other owners, including TAC, a container-owning company in which Trenchor has a 44% shareholding. Management fees and sales commissions arising from these arrangements continue to make significant contributions to the company's operating results and also promote financial stability, even in cyclical downturns. The total fleet under management at 31 December 2005 numbered 1 155 000 TEUs (twenty-foot equivalent units) of which some 68,4% were on long-term lease. Textainer itself owned 481 000 TEUs of which almost 75% were on long-term lease. The average age of both Textainer's owned fleet and the whole fleet is six years.

New equipment purchases during the year amounted to 78 454 TEUs with virtually all of them going into long-term leases and finance lease contracts. As at the end of 2005, the company had unutilised borrowing facilities of approximately US\$445 million at its disposal. The ratio of interest-bearing debt to total equity was 203% (2004: 269%) which is conservative by industry standards.

The equipment resale division enhances the returns to container owners by maximising the value received at the end of the economic life of the equipment. It also purchases used containers around the world, sometimes repositions them and sells them in major demand markets. The strong leasing market made the sourcing of used containers for resale very difficult. The division nevertheless made an excellent contribution to

net profit as a result of higher sale prices for used containers. The logistics division ensures that the repositioning of empty containers from surplus to demand locations is completed in the most cost-efficient manner possible.

A summarised balance sheet and income statement for Textainer appears on pages 66 and 67.

TEXTAINER: SALIENT INFORMATION

	2005	2004	CHANGE
		RESTATED	
FINANCIAL (US\$ MILLION)			
TOTAL REVENUE	220,4	173,5	+27,0%
PROFIT BEFORE TAX	86,3	70,7	+22,1%
NET INCOME	61,6	52,2	+18,0%
PROFIT ATTRIBUTABLE TO TRENCOR	45,0	38,0	+18,4%
OPERATIONAL			
AVERAGE FLEET UTILISATION	91,9%	93,2%	(1,4%)
FLEET UNDER MANAGEMENT (TEU '000s)	1 155	1 140	+15
OWNED	481	484	(3)
MANAGED	674	656	+18
LONG-TERM LEASE FLEET	790	768	+22
SHORT-TERM LEASE FLEET	365	372	(7)

TRENSTAR INC

www.trenstar.com

TrenStar Inc, our 56% held subsidiary headquartered in Denver, Colorado, and its operating companies in various countries (collectively "TrenStar") provide customers with returnable packaging and other mobile assets, and in many instances manage these for the customer to improve control and visibility of these assets and their contents, and to create greater efficiencies as they move through the supply chain. Mobile assets include beer kegs, air cargo containers, chemical containers, cages, various types of cargo and intermediate bulk containers and healthcare equipment. Our offering includes barcode and radio frequency identification (RFID) tracking technology and logistics/business analysis and information management. We also provide predominantly larger customers with advice on the design and sourcing of mobile assets. In appropriate circumstances, TrenStar owns the mobile assets and provides these, together with the tracking technology, to customers on a lease or 'pay per use' basis. In other instances, the customers will own the assets with TrenStar providing the technology and accompanying management services.

In our previous annual report we noted that market acceptance of TrenStar's business model can be a lengthy process. That remains the case, although a greater acceptance of the benefits of tracking and of outsourcing the management of the customer's returnable packaging could accelerate the pace in future years.

TRENSTAR: SALIENT INFORMATION

	2005	2004 RESTATED	CHANGE
FINANCIAL (US\$ MILLION)			
TOTAL REVENUE	56,0	51,0	+9,8%
NET LOSS FOR THE YEAR*	(10,2)	(14,3)	+28,7%
LOSS ATTRIBUTABLE TO TRENCOR	(5,7)	(7,7)	+26,0%
OPERATIONAL			
KEGS OWNED AND MANAGED ('000s)			
UK	4 881	4 062	+819
US	382	306	+76
INTERMEDIATE BULK CONTAINERS IN US, MAINLY FOR FIRESTONE ('000s)			
	63 294	9 257	54 037

* 2004 included a loss of US\$3,3 million on the sale of label printing business in the UK.

The turnover growth of 9,8% includes second half revenue from the addition of UK£9 million worth of beer kegs for Scottish Courage Ltd and a transaction in June 2005 for the purchase and subsequent management of a fleet of cages for Bridgestone Firestone in the US (the latter being a ten-year contract with estimated annual revenue of US\$4,5 million). It is disappointing that the company was unable to attain profitability, which is attributable to the slower than anticipated growth in revenue (limiting TrenStar's ability to spread the necessary central overhead expense structure over a larger income base), some setbacks from higher transportation and fuel costs as well as lower than expected draught beer sales by certain of our brewer customers in the UK (resulting in lower per fill fee income).

TrenStar Inc requires ongoing capital contributions to fund the above losses and to provide an equity base for debt funding of asset purchases. In respect of the latter, by end January 2006, US\$21 million had been lodged in security accounts of TrenStar and its subsidiaries to serve as security for such borrowings. To meet these requirements, Trencor (US\$7 million) and Carlyle Venture Partners (US\$3 million) subscribed for additional shares in TrenStar Inc in December 2005 and March 2006. TrenStar is considering various alternatives to cater for future funding requirements and to implement less capital intensive funding mechanisms. In the process, it may seek to raise significant additional equity.

At 31 December 2005 TrenStar's total interest-bearing debt amounted to US\$275 million, of which US\$170 million or 62% was 'ring-fenced' in special purpose subsidiary companies, with the debt in each such subsidiary secured by the assets of that subsidiary, without recourse to TrenStar Inc itself.

Certain senior management changes were implemented during the second half of the year. In August 2005 Gregory Cronin was replaced as CEO by Alex Brown (a long-time senior executive and main board member of Trencor who retired in 2002). Mr Brown's appointment was on an interim basis and, during February 2006, the board appointed a new senior executive, Mr Ed Flaherty, as Chief Operating Officer and Chief Financial Officer.

TRENSTAR SA

TrenStar SA (Pty) Ltd, owned 100% by Trencor, operates in South Africa with a business model similar to that of TrenStar Inc. During the year under review, TrenStar SA made good progress in extending its business, mainly in the automotive and retail industries. The company improved on the slow growth of the past two years with turnover increasing 66% and

made a positive contribution to group earnings.

It is expected that this trend will continue in 2006, as we find increasing acceptance by customers of the benefits of TrenStar SA's mobile asset and information management services. In March 2006 Toyota SA awarded its coveted Best Service Supplier of the Year award for 2005 to TrenStar SA, an excellent achievement against stiff competition from over 100 competitors.

LONG-TERM RECEIVABLES

The aggregate amount of outstanding long-term receivables at 31 December 2005 was US\$380 million (2004: US\$454 million). The discount rate applied in the valuation of the US\$ denominated long-term receivables is unchanged from 2004 at 8,5% per annum and the net present value of these receivables, before any valuation adjustments, totalled R2,1 billion (2004: R2,2 billion). An exchange rate of US\$1 = R6,31 was used to translate dollar amounts into rand at 31 December 2005 (2004: US\$1 = R5,61). In compliance with the requirements of International Financial Reporting Standards, the resulting translation gain, amounting to R272 million at net present value (2004: loss of R394 million) has been included in profit before tax.

The decrease in the value of the rand resulted in a loss of R85 million (2004: gain of R162 million) on translation of the dollar-denominated valuation adjustment against the receivables. The trading conditions currently being experienced in the container leasing industry and the current outlook for the collectibility of, and timing of receipts from, the long-term receivables has resulted in a further reduction in the dollar amount of the net valuation adjustment. This reduction, translated into rand, had a positive effect on pre-tax profit amounting to R67 million in the year under review. At 31 December 2005, the net present value of long-term receivables after valuation adjustments amounted to R1,5 billion (2004: R1,4 billion).

The discount rate applied to reduce the rand amounts attributable to third parties to their net present values is unchanged from 2004 at 10% per annum.

TAC

The TAC group, in which Trencor has a 44% shareholding, owned 228 000 TEU of dry freight containers of various types and 2 488 stainless steel tank containers at 31 December 2005, which are managed by a number of equipment managers. Textainer continues to manage the largest portion of the dry freight container fleet and Exsif Worldwide Inc manages most of the stainless steel tank containers. The strong market conditions noted in last year's report were maintained until the fourth quarter of 2005 and average utilisation across the whole fleet remained at 91%. The market softened in the fourth quarter and is expected to show further weakness. New container prices also declined significantly during the year while the resale prices for used containers held up fairly well. During the year, TAC purchased 11 331 TEU of new equipment at a cost of US\$22 million from manufacturers in China; these purchases were financed out of the company's existing facilities. All of the new equipment purchased is intended to be placed into long-term leases.

PROPERTY INTERESTS

During December 2005, agreement was reached for the sale of the group's 31% interest in a property development in Midrand known as Midrand Town Centre, which will result in the group recovering the cost of its investment.

Trencor has a 15% interest in the company that owns and operates Grand Central Airport. The airport continues to provide satisfactory returns. Our exposure to this investment is R3 million and is regarded as non-core and will be disposed of when a suitable opportunity arises.

FINANCE

The principal financial ratios at 31 December 2005 and the comparative figures for 2004 are reflected in the table below. In order to demonstrate the impact of the consolidation of Textainer and BLI, the wholly-owned subsidiary of TrenStar Inc which owns the beer keg fleets used by three major UK brewers, the ratios are also stated on the basis of notionally accounting for Trencor's interests in these companies using the equity accounting method.

	2005	2004
RATIO TO THE AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES:		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES		
- WITH TEXTAINER AND BLI CONSOLIDATED	205%	257%
- WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	44%	62%
INTEREST-BEARING DEBT EXCLUDING CONVERTIBLE DEBENTURES		
- WITH TEXTAINER AND BLI CONSOLIDATED	169%	187%
- WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	14%	17%
CURRENT RATIO (TIMES)		
- WITH TEXTAINER AND BLI CONSOLIDATED	1,3	0,8
- WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	1,7	1,1

Textainer completed a US\$580 million ten-year bond issue in May 2005, refinancing existing debt and freeing up credit lines. Trencor debt at the centre at 31 December 2005 amounted to US\$3,0 million (2004: US\$19,4 million). This loan was repaid during February 2006.

Capital expenditure during the year amounted to R816 million of which R343 million was incurred by Textainer in replacing and expanding its container fleet and R457 million by TrenStar. These amounts were all funded out of existing funding facilities and, in the case of TrenStar, also from the proceeds of fresh equity raised from shareholders.

CORPORATE GOVERNANCE

II
50.75

Corporate
governance

Trencor endorses the Code of Corporate Practices and Conduct in the King II Report on Corporate Governance. Ongoing enhancement of corporate governance principles is a global movement, fully supported by the board which, together with senior management, will continue to adopt, as appropriate, existing and new principles which advance good practical corporate governance and add value to the group's business activities.

The board is of the opinion that the group has, in all material respects and where relevant, complied with the Code during the year under review.

The salient features of the group's corporate governance are set out below.

BOARD OF DIRECTORS

COMPOSITION

The names and brief résumés of the directors appear on page 69.

The board currently comprises eight directors, three of whom are executive and five non-executive of which four qualify as independent non-executive directors in terms of the King II Report. The directors have considerable experience and an excellent understanding of the group's business.

Board effectiveness reviews were conducted in 2002 and 2005 and further reviews will be conducted at appropriate intervals.

There is a procedure for appointments to the board. Nominations for appointment to the board are formal and transparent and submitted by the nomination committee to the full board for consideration.

CHAIRMAN/CEO

The roles of chairman and chief executive officer are separate. The CEOs of operating subsidiaries report to the chairmen of their respective boards, who in turn report to the Trencor board.

The board is satisfied that no one individual director or block of directors has undue power on decision-making.

PROFESSIONAL ADVICE

All directors have access to the company secretary and management and are entitled to obtain independent professional advice at the company's expense if required.

MEETINGS

The board meets regularly on a scheduled quarterly basis and at such other times as circumstances may require. During the year ended 31 December 2005, five meetings were held and these were attended by all members in person or by video link.

Board papers are timeously issued to all directors prior to each meeting and contain relevant detail to inform members of the financial and trading position of the company and each of its operating subsidiaries.

The chairman also meets with non-executive directors, either individually or collectively, on an ad-hoc basis to apprise them of any significant matters that may require their input and guidance. In addition, the independent non-executive directors hold separate meetings as and when they deem it appropriate.

DIRECTORS' SERVICE CONTRACTS

None of the directors are bound by any service contracts. All executive directors have an engagement letter which provides for a notice period of between one and three months to be given by either party.

In terms of the articles of association, not less than one-third of the directors are required to retire by rotation at each annual general meeting of the company and may offer themselves for re-election. The appointment of new directors during the year is required to be confirmed at the next annual general meeting and such new directors are required to retire at such annual general meeting, but may offer themselves for re-election.

DIRECTORS' REMUNERATION

The remuneration paid to the directors during the years ended 31 December 2005 and 2004 was as follows:

	GUARANTEED REMUNERATION INCL. ALLOWANCES R'000	CONTRIBUTIONS TO			EQUITY COM- PENSATION BENEFITS R'000	INSURANCE PREMIUMS R'000	TOTAL REMUNE- RATION R'000
		MEDICAL AID R'000	RETIRE- MENT FUNDS R'000	INCENTIVE BONUSES R'000			
2005							
NON-EXECUTIVE DIRECTORS							
H A GORVY	85	-	-	-	-	-	85
J E HOELTER	1 711	-	-	-	-	-	1 711
C JOWELL	585	17	47	326	-	-	975
D M NUREK	385	-	-	-	-	-	385
E OBLowitz	105	-	-	-	-	-	105
	2 871	17	47	326	-	-	3 261
EXECUTIVE DIRECTORS							
N I JOWELL	1 438	12	-	815	-	-	2 265
J E McQUEEN	1 727	17	171	204	360	-	2 479
H R VAN DER MERWE	2 016	19	194	326	360	82	2 997
	5 181	48	365	1 345	720	82	7 741
AGGREGATE REMUNERATION 2005	8 052	65	412	1 671	720	82	11 002

No fees are paid to executive directors for services as director.

Corporate
governance

	GUARANTEED REMUNERATION INCL. ALLOWANCES R'000	CONTRIBUTIONS TO				INSURANCE PREMIUMS R'000	TOTAL REMUNE- RATION R'000
		MEDICAL AID R'000	RETIRE- MENT FUNDS R'000	INCENTIVE BONUSES R'000	EQUITY COM- PENSATION BENEFITS R'000		
2004							
NON-EXECUTIVE DIRECTORS							
H A GORVY	85	-	-	-	-	-	85
J E HOELTER	693	-	-	-	-	-	693
C JOWELL	586	18	44	268	-	-	916
D M NUREK	90	-	-	-	-	-	90
E OBLowitz	95	-	-	-	-	-	95
	1 549	18	44	268	-	-	1 879
EXECUTIVE DIRECTORS							
N I JOWELL	1 424	27	-	669	-	-	2 120
J E McQUEEN	1 648	18	157	167	200	-	2 190
H R VAN DER MERWE	2 009	21	191	200	200	82	2 703
	5 081	66	348	1 036	400	82	7 013
AGGREGATE REMUNERATION 2004	6 630	84	392	1 304	400	82	8 892

No fees are paid to executive directors for services as director.

SHARE OPTIONS

The following share options in terms of The Trecor Share Option Plan have been granted to and accepted by executive directors and/or their family trusts:

	DATE GRANTED	NUMBER OF OPTIONS AT 31/12/2005	OFFER PRICE PER SHARE (R)	EXERCISABLE AS FOLLOWS BETWEEN AND	
J E McQUEEN	30/06/01	1 000 000	5,25	11/07/02	30/06/09
	11/06/04	50 000	12,10	11/06/07	11/06/12
	11/06/04	50 000	12,10	11/06/08	11/06/12
	11/06/04	50 000	12,10	11/06/09	11/06/12
	11/06/04	50 000	12,10	11/06/10	11/06/12
		1 200 000			
H R VAN DER MERWE	30/06/01	1 600 000	5,25	11/07/02	30/06/09
	11/06/04	50 000	12,10	11/06/07	11/06/12
	11/06/04	50 000	12,10	11/06/08	11/06/12
	11/06/04	50 000	12,10	11/06/09	11/06/12
	11/06/04	50 000	12,10	11/06/10	11/06/12
		1 800 000			

The right to exercise the options granted on 11 June 2004 is subject to certain performance criteria being met.

During the year, options granted on 30 June 2001 at the option price of R5,25 per share, were exercised and the shares sold as follows:

	DATE EXERCISED AND SOLD	NUMBER OF OPTIONS/ SHARES	SALE PRICE PER SHARE (R)
J E McQUEEN	03/03/05	200 000	17,00
	30/03/05	100 000	18,00
		300 000	
H R VAN DER MERWE	03/03/05	200 000	17,00
	30/03/05	200 000	18,00
	26/10/05	20 000	20,75
	22/11/05	10 500	21,60
	29/12/05	200 000	20,00
		630 500	

DIRECTORS' INTERESTS

The number of shares held by the directors in the issued share capital of the company, other than indirect interests through Mobile Industries Ltd, at 31 December 2005 and 2004 were as follows:

	BENEFICIAL		NON-BENEFICIAL		TOTAL	
	DIRECT	INDIRECT	DIRECT	INDIRECT	2005	2004
H A GORVY	-	-	-	-	-	-
J E HOELTER	-	-	-	-	-	-
C JOWELL	41 210	20 904	-	-	62 114	62 114
N I JOWELL	41 808	20 904	-	-	62 712	62 712
J E McQUEEN	49 649	102 133	-	-	151 782	151 782
D M NUREK	-	-	-	-	-	-
E OBLowitz	10 000	-	-	-	10 000	-
H R VAN DER MERWE	-	-	-	-	-	-
	142 667	143 941	-	-	286 608	276 608

None of the directors held any interest in the 6% convertible debentures in issue in the company (2004: nil).

Mr J E Hoelter has an indirect beneficial interest in 1 038 873 shares (2004: 1 038 873 shares) representing 5,5% (2004: 5,5%) in the issued common stock of Textainer Group Holdings Ltd, Trenchor's 73% (2004: 73%) subsidiary.

There have been no changes in these interests between the financial year-end and the date of this report.

SUB-COMMITTEES OF THE BOARD

Several sub-committees exist, each with specific terms of reference, to assist the board in discharging its responsibilities. The composition of these committees is reviewed on an ongoing basis. The names of the members of the sub-committees appear on page 3.

NOMINATION COMMITTEE

During 2002 the board appointed a nomination committee to identify and recommend to the board, suitable competent candidates for appointment as independent non-executive directors. The committee comprises three non-executive directors, two of whom are independent.

The committee meets on an ad-hoc basis. During the year, the committee held one meeting which was attended by all members.

EXECUTIVE COMMITTEE

The executive committee, comprising the three executive directors and one non-executive director, meets formally on a regular basis throughout the year and informally on a weekly basis. During the year, 10 formal monthly meetings were held which were attended by all members, save that Mr C Jowell attended 9 meetings.

This committee has the authority of the board, which is subject to annual review, to take decisions on matters involving financial risk management and matters requiring immediate action (subject to the approval of the committee chairman or his nominee) and passing of enabling resolutions, which:

- do not have major policy implications for the group, or
- have been discussed with and the support obtained from a majority of board members, save that any dissenting director has the right to call a board meeting, or
- if requiring significant capital expenditure, are in the normal course of business of the existing divisions and operations of the group.

AUDIT COMMITTEE

An audit committee, formally established by the board in the early 1990s, presently consists of four independent non-executive directors and normally meets at least twice a year, prior to the finalisation of the group's interim results and reviewed annual results, and at such other times as may be required. The committee is primarily responsible for assisting the board in carrying out its duties in regard to accounting policies, internal controls and audit, financial reporting, identification and monitoring of risk, and the relationship with the external auditors.

In addition to the committee members, the chairman of the board, the financial director and certain other group executives are normally invited to attend meetings of the committee as observers. The external auditors attend all meetings and have direct and unrestricted access to the audit committee at all times.

During the year, the committee met on two occasions. The meetings were attended by all members.

In addition, the committee chairman meets separately with the external auditors on an ad-hoc basis.

The audit committee is satisfied that the external auditors are independent in the discharge of their duties. The use of the services of the external auditors for significant non-audit services is considered by the committee on an ad-hoc basis.

The main group operating entities, Textainer Group Holdings Ltd and TrenStar Inc, each have their own audit committees comprising persons who are not executives within those entities. These committees submit minutes and reports to the Trenchor audit committee after each meeting. The external auditors of these group entities have direct and unrestricted access to the respective audit committees.

Where appropriate, the internal audit functions are primarily outsourced to suitably qualified independent external parties which are contracted on an ad-hoc basis to perform certain internal audit functions in terms of specified terms of reference and to report thereon to the executive committee and, if required, the main audit committee. The internal auditors have direct and unrestricted access to the respective audit committees.

REMUNERATION COMMITTEE

The remuneration committee of the board has been in existence since the early 1990s and was formalised in 1996. It reports directly to the board and comprises one independent non-executive director as committee chairman and the chairman of the board. The committee's task is to review the compensation of executive and non-executive directors and senior management and to grant options in terms of The Trenchor Share Option Plan. Members of the remuneration committee are not eligible for participation under The Trenchor Share Option Plan.

During the year, two committee meetings were held, which were attended by both members.

The committee may, if required, seek the advice of external independent consultants.

SUCCESSION PLANNING

The board is satisfied that suitable succession plans are in place other than at TrenStar Inc where the matter is receiving attention.

BOARD AND BOARD COMMITTEE TERMS OF REFERENCE

The board is ultimately accountable and responsible for the performance and affairs of the group. In essence, it provides strategic direction to the group, monitors and evaluates operational performance and executive management of the company and its subsidiary and associate companies, determines policies and processes to ensure effective risk management and internal controls, determines policies regarding communication and is responsible for ensuring an effective composition of the board.

Formal detailed terms of reference for the nomination, executive, audit and remuneration sub-committees have been approved and formally implemented and are reviewed by the board on a regular basis.

RISK MANAGEMENT

Responsibility for managing the group's risk lies ultimately with the board of directors. However, the executive committee and management at operating levels assist the board in

*Corporate
governance*

discharging its responsibilities in this regard by identifying, monitoring and managing risk on an ongoing basis and within the authority conferred upon them by the board. The identification and mitigation of risk is a key responsibility of management throughout the group and of the executive committee.

The following significant risk exposures within our businesses and the possible impacts and the measures taken to mitigate such risks have been identified:

EXCHANGE RATE FLUCTUATIONS

Most of our businesses are dollar-based and, accordingly, changes in the R/US\$ exchange rate can and do significantly affect the translation of assets, liabilities, profits and losses into South African currency. The long-term export receivables are all denominated in US dollars. The board has decided that these receivables should remain in dollars and should not be hedged into any other currency, save that the executive committee is authorised to sell limited amounts due to be collected forward, into rand, if it believes that it would enhance the rand receipts to do so. Unrealised gains and losses arising on the translation at reporting dates of the unhedged portion of the long-term receivables and related impairments are included in profit and loss and changes in the R/US\$ exchange rate may result in volatility in earnings when expressed in rand.

INTEREST RATES

Virtually all of the group's borrowings are denominated in foreign currency, principally US dollars and British pounds. Textainer has a firm policy that long-term lease business should be financed with fixed rate debt and master lease (short-term) business should be financed with floating rate debt. Interest on loans raised to purchase containers leased out under long-term leases (usually of five years' duration at fixed rates) is swapped into fixed interest rate contracts of a similar term, while loans raised to purchase containers for master lease (leases of shorter term) are at variable rates. Furthermore, the company enters into interest-rate cap contracts to guard against unexpected increases in interest rates on such variable interest-rate loans. In the event that Textainer is not able to apply hedge accounting principles to the interest rate swaps, notwithstanding that such swaps may be economically effective, it will be required to account on the basis that the net result of the marked-to-market valuation of these instruments is flowed through the income statement. This may result in volatility of earnings.

CREDIT RISK CONCENTRATION

Textainer's customers are mainly international shipping lines which transport goods on international trade routes. Once the containers are on-hire with a lessee, Textainer does not track their location. The domicile of the lessee is not indicative of where the lessee is transporting containers. The business risk for Textainer in its international operations lies with the creditworthiness of the lessees rather than the geographic location of the containers or the domicile of the lessees. Revenue from one lessee amounted to US\$20,0 million and US\$16,8 million or 11% of Textainer's lease rental income, for the years ended 31 December 2005 and 2004 respectively. Trade receivables from one lessee amounted to US\$4,4 million or 10% of trade receivables as at 31 December 2004.

DECREASE IN CONTAINER FLEET UTILISATION

A decline in utilisation, for example due to a reduction in world trade or in container traffic on particular routes or an oversupply of competitors' containers, could result in reduced revenue, increased storage expenses and thus lower profit. In order to reduce volatility in revenue and earnings, Textainer has increased the proportion of its overall fleet on long-term lease to 68,4% of the total. Almost 75,0% of Textainer's owned containers are on long-term lease. Textainer has also developed a very active used-container trading operation and thus has an effective infrastructure to dispose of containers that have reached the end of their economic lives on the best available terms. Textainer monitors containers due to come off lease and manages their disposal or release.

CONTAINER OFF-HIRES IN LOW DEMAND LOCATIONS

A build up of off-hire containers in low demand locations where they cannot easily be on-hired again, could lead to decreased utilisation, reduced revenue, higher storage costs and the possibility of having to ship the equipment, at considerable cost, to positions where it can be leased out. To reduce this exposure, Textainer is increasingly placing containers into long-term leases and also negotiating more favourable lease terms that limit the number of containers that lessees may off-hire in low demand areas. It also regularly repositions containers from low to high demand locations.

NEW CONTAINER PRICES

Changes in the prices of new container equipment have an impact on lease rates. In general, declining new container prices lead to a softening in rates, while increasing prices may result in upward pressure on lease rates.

DECLINING RESIDUAL VALUES OF CONTAINERS

The ultimate return from the ownership of a container will depend, in part, upon the residual value at the end of its economic life. The market value of a used container depends upon, among other things, its physical condition, supply and demand for containers of its type and remaining useful life in relation to the cost of a new container at the time of disposal and the location where it will be sold. A decline in residual values of containers can adversely affect returns from container ownership and cash flows.

DECREASE IN ACTIVITY – EFFECT ON LONG-TERM RECEIVABLE COLLECTIONS

Declines in lease rates, utilisation and residual values of equipment in the container industry can adversely affect the cash flows of container owners and could impair the ability of these companies to meet their obligations to the group and its export partners under the long-term export contracts. Conversely, improved market conditions may enhance their ability to meet these obligations. Trencor's in-depth understanding of the industry and many of the main participants enable the company to closely monitor the activities of these entities and, where necessary, take whatever action may be required to protect the group's and its export partners' interests. Changes in market conditions in the industry require the company to make appropriate valuation adjustments from time to time to recognise the changes in the timing and possible non-receipt of instalments due under these long-term export contracts.

RISK AREAS IN TRENSTAR'S ACTIVITIES

TrenStar relies on information systems that support the core functions of managing asset movements. Accurate tracking of returnable packaging units between depots and various manufacturers and suppliers within the supply chain is necessary to (a) provide customers with added value in the form of visibility of returnable packaging units and other mobile assets, (b) ensure that transaction costs are correctly apportioned between the various users of the service and (c) to bill clients accurately and efficiently. The TrenStar mobile asset management system is a web-enabled tool that translates physical movements into billing and location data that is then passed through to the ERP system for further financial processing. Typical risk areas associated with enterprise systems and business activities such as TrenStar are within the domains of application and database design, technical architecture, software development methodology, configuration management, information security, IT continuity/disaster management, asset losses and declines in customers' business affecting TrenStar's billable revenue.

Growth in the asset-owning part of TrenStar's business is capital intensive and requires ongoing funding. At year-end this requirement tied up US\$20 million of funds in security accounts.

Market and customer acceptance of TrenStar's unique business model can be a slow process, sometimes resulting in longer than expected lead times for successful closing of contracts.

The TrenStar business was launched in the beer keg industry in the UK. As a result there is currently a concentration of the company's business in this industry, and a decline in the business of these customers will represent an exposure for the company.

INFORMATION RESOURCES MANAGEMENT

Trencor, like other organisations, is reliant on information technology ('IT') to effectively and efficiently conduct its business. The group's IT systems, policies and procedures are reviewed on an ongoing basis to ensure that effective internal controls are in place to manage risk and promote efficiencies, and as far as possible to comply with universally accepted standards and methods, such as (amongst others) CobiT (Control Objectives for Information Technology Resources), as endorsed by the IT Governance Institute. Attention is continuously focused on maximising the benefits whilst minimising the risks associated with all aspects of the IT portfolio inasmuch as they apply to business operations.

INFORMATION SECURITY

Compliance with legislative requirements contributes towards the protection of corporate information, but in itself only addresses a small part of the total number of threats posed to the business arising from its dependencies on information technology and the internet. Security policies and procedures for employees and the use of technologies such as enterprise and personal firewalls, antivirus systems, intrusion monitoring and detection are applied, as well as frequent application of software security 'patches' issued by vendors as and when vulnerabilities are discovered.

BUSINESS CONTINUITY

Trencor head office has established procedures that when invoked enable a complete recovery of the IT network and business systems within specified time limits. Textainer and TrenStar have established their own business continuity plans.

GROUP STRATEGY

Early in 2005 the board confirmed the strategy statement of the group as follows:

1. Trencor's strategy is to invest in operations that have as their business:
 - To enable the controlled movement of goods by providing, managing and integrating the use of equipment, services, knowledge and information.
2. We aim to do this by:
 - providing a global and integrated set of offerings through owning, managing and/or leasing of assets used by customers in the controlled movement of goods;
 - the increasing use of, and investment in, information and communication technologies and appropriate forms of information management and electronic trading;
3. This strategy is intended to contribute to the growth and improvement of those existing businesses already involved in the movement of goods, and to include in our activities similar businesses that have the potential to render acceptable returns.

CODE OF ETHICS

The board, management and staff agreed a formal code of ethical conduct in 1998 which seeks to ensure high ethical standards. All directors, managers and employees are expected to strive at all times to adhere to this code, and to enhance the reputation of the group. The code is signed by all directors, managers and senior employees at least every three years.

Any transgression of the code is required to be brought to the attention of the audit committee.

RESTRICTION ON TRADING IN SECURITIES

A formal policy, implemented some years ago, prohibits directors, officers and employees from dealing in the company's securities and those of Mobile, from the date of the end of an interim reporting period until after the interim results have been published and similarly from the end of the financial year until after the reviewed annual results have been published. Directors and employees are reminded of this policy prior to the commencement of any restricted period.

In addition, no dealing in the company's securities is permitted by any director, officer or employee whilst in possession of information which could affect the price of the company's securities and which is not in the public domain.

Directors of the company and of its major subsidiaries are required to obtain clearance from Trencor's chairman (and in the case of the chairman, or in the absence of the chairman, from the chairman of the audit or remuneration committee) prior to dealing in the company's securities, and to timely disclose to the company full details of any transaction for notification to and publication by the JSE.

STAKEHOLDER COMMUNICATION

Members of the executive committee of the board meet on an ad-hoc basis with institutional investors, investor analysts,

*Corporate
governance*

individuals and members of the financial media. Discussions at such meetings are restricted to matters that are in the public domain.

Shareholders are informed, by means of press announcements and releases in South Africa and/or printed matter sent to such shareholders, of all relevant corporate matters and financial reporting as required in terms of prevailing legislation. In addition, such announcements are communicated via a broad range of channels in both the electronic and print media. The company maintains a corporate website (<http://www.trencor.net>) containing financial and other information, including interactive interim, reviewed and annual results. The site has links to the websites of each major operating subsidiary company.

EMPLOYMENT EQUITY

In compliance with the Employment Equity Act, the group's South African operating entities have each developed their own employment equity policies and plans in consultation with their employees. The elected employment equity committees at the respective operations are responsible for ensuring and monitoring the achievement of the employment equity goals within their business units.

TRAINING

Skills development committees at South African operations are charged with the responsibility to comply with the requirements of the Skills Development Act, so as to develop and improve the knowledge, skills and capabilities of employees as far as is reasonably possible.

SAFETY, HEALTH AND ENVIRONMENT

The group is committed to providing and maintaining a safe and healthy risk-free working environment and continually strives to prevent workplace accidents, fatalities and occupational health and safety related incidents.

At 31 December 2005 the group had 528 employees (2004: 408) of which 285 (2004: 118) were based in South Africa and 243 (2004: 290) outside South Africa.

Based on the existing demographics of the group's staff complement and the various geographical locations throughout the world, the board is of the opinion that the impact on the group as a result of the HIV and AIDS epidemic within South Africa and elsewhere, although unquantifiable at this time, will not be significant.

There are no significant environmental impact issues caused by the group's operations and all group entities are, where relevant, at the very least fully compliant with the environmental legislation in their particular jurisdictions.

ACCESS TO INFORMATION

The company and all of its South African subsidiaries are compliant with the provisions of the Promotion of Access to Information Act. The manual in terms of this legislation is available from the registered office of the company and on the company's website.

FINANCIAL INTELLIGENCE CENTRE ACT

Group companies within South Africa have all administrative measures in place in respect of the regulations of the Financial Intelligence Centre Act.

COMMUNITY INVESTMENTS

Financial support is primarily allocated to selected educational institutions and assistance in the form of bursaries is granted to students without employment obligations. The group also assists various community and welfare organisations.

Textainer and its employees provided monetary assistance to the Red Cross for relief efforts following the tsunami and hurricane Katrina disasters in an aggregate amount of US\$112 809.

DECLARATION
BY THE COMPANY
SECRETARY

It is hereby certified that for the year ended 31 December 2005, the company has lodged, with the Registrar of Companies, all returns as are required by a public company in terms of the Companies Act in South Africa and that such returns are true, correct and up to date.



TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN
29 MARCH 2006

*Declaration
by the secretary*

*Annual
financial
statements*

*Report of the
independent
auditors*

TRENCOR LIMITED
AND SUBSIDIARIES
ANNUAL FINANCIAL
STATEMENTS

RESPONSIBILITY FOR
ANNUAL FINANCIAL STATEMENTS

The board of directors is responsible for the preparation of financial statements, on a consistent basis, and supported by reasonable and prudent judgements and estimates, that fairly present the state of affairs of the company and of the group in accordance with International Financial Reporting Standards, the Companies Act in South Africa and the Listings Requirements of the JSE.

The board is satisfied that adequate internal accounting controls and systems are maintained, aimed at providing reasonable assurance that assets are adequately safeguarded, based on established policies and procedures implemented by competent personnel who are required to maintain the highest ethical standards at all times.

GOING CONCERN STATEMENT

The annual financial statements of the company and of the group for the year ended 31 December 2005 are prepared on the going concern basis. In the opinion of the directors, the company and the group will continue as a going concern for the foreseeable future.

BOARD APPROVAL

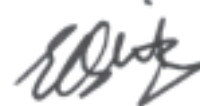
The annual financial statements and group annual financial statements for the year ended 31 December 2005, which have been approved by the board of directors, are attached:

PAGE 18	Directors' report
20	Balance sheets
21	Income statements
22	Statements of changes in equity
25	Cash flow statements
26	Notes to the financial statements

Signed on behalf of the board



N I JOWELL CHAIRMAN



E OBLOWITZ DIRECTOR
CAPE TOWN
29 MARCH 2006

REPORT OF
THE INDEPENDENT
AUDITORS

TO THE MEMBERS OF TRENCOR LIMITED

We have audited the annual financial statements and group annual financial statements of Trencor Limited as set out on pages 18 to 63 for the year ended 31 December 2005. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis,

evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 31 December 2005, and the results of their operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa.

KPMG Inc.

KPMG INC
REGISTERED ACCOUNTANTS
AND AUDITORS
CHARTERED ACCOUNTANTS (SA)
CAPE TOWN
29 MARCH 2006

Directors' report

GENERAL REVIEW

The nature of the company's business is described on page 1. The financial results are reflected in the financial statements on pages 20 to 63.

The net profit/(loss) attributable to the various classes of business of the group was as follows:

	2005 RM	2004 RESTATE D RM
CONTAINER OPERATIONS		
CONTAINER FINANCE	21,5	25,4
TEXTAINER	281,4	241,9
EXCHANGE TRANSLATION GAINS/(LOSSES)	132,8	(162,2)
NET LONG-TERM RECEIVABLE ADJUSTMENT	47,5	79,0
TRENSTAR	(37,3)	(60,3)
INTEREST AND OTHER CORPORATE ITEMS	(14,9)	1,6
DISCONTINUING OPERATIONS	5,3	(0,2)
EXCEPTIONAL ITEMS	(2,2)	(39,1)
	434,1	86,1

DIRECTORS AND SECRETARY

The names of the directors appear on page 3 and that of the secretary on page 68.

In terms of the articles of association Messrs H A Gorvy, J E Hoelter and C Jowell retire by rotation at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

Brief résumés of the directors are presented on page 69.

DIRECTORS' INTERESTS

The aggregate of the direct and indirect interests of the directors in the issued securities of the company at 31 December 2005 and 2004 were as follows:

	2005	2004
BENEFICIAL %	13,6	13,8

The direct and indirect interests of each director who held in excess of 1% of the issued securities at 31 December 2005 and 2004 were as follows:

	2005	2004
BENEFICIAL %		
C JOWELL	6,7	6,8
N I JOWELL	6,8	6,9

The above changes are as a result of the increase in the number of issued shares following the exercise of options in terms of The Trecor Share Option Plan. There have been no changes in these interests between the financial year-end and the date of this report.

DIVIDENDS AND DEBENTURE INTEREST

	PAYMENT NUMBER	RECORD DATE	PAYMENT DATE	AMOUNT	
				PER SHARE/ DEBENTURE	TOTAL
				CENTS	RM
DIVIDENDS					
2004 - INTERIM	-	-	-	-	-
- FINAL	78	08/04/05	11/04/05	12,0	18,6
2005 - INTERIM	79	30/09/05	03/10/05	10,0	15,5
- FINAL	80	07/04/06	10/04/06	30,0	46,7
DEBENTURE INTEREST					
- 6% CONVERTIBLE	27	17/06/05	30/06/05	27,3	7,8
	28	15/12/05	30/12/05	27,3	7,8

STRATE

Holders of securities are reminded that paper certificates are no longer good for delivery and those who have not yet dematerialised their holdings are urged to surrender their paper certificates to a selected Central Securities Depository Participant, bank or qualifying stockbroker for conversion into an electronic record, to render them eligible for settlement in the STRATE system of electronic settlement on the JSE.

CORPORATE GOVERNANCE

The report on corporate governance is presented on pages 11 to 16.

SPECIAL RESOLUTION

At the annual general meeting held on 25 May 2005, shareholders passed a special resolution, which was registered on 20 June 2005, to grant the company a general authority for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority is valid until the earlier of the next annual general meeting or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that it shall not extend beyond fifteen months from the date of passing of the resolution.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

During the year under review, no special resolutions were passed by the company's South African subsidiaries nor were any resolutions of material interest passed by the company's non-South African subsidiaries.

ANALYSIS OF SHARE AND DEBENTURE
HOLDERS

An analysis of share and debenture holders and of holders who held 5% or more of the issued securities at 31 December 2005 is presented on page 68.

INTEREST IN SIGNIFICANT SUBSIDIARIES

	SHARE CAPITAL AND PREMIUM MILLION	EFFECTIVE INTEREST		SHARES AT COST		AMOUNT OWING TO COMPANY	
		2005 %	2004 %	2005 RM	2004 RM	2005 RM	2004 RM
INDIRECT:							
TEXTAINER GROUP HOLDINGS LTD (INCORPORATED IN BERMUDA) OWNING, LEASING AND MANAGING OF CONTAINERS	US\$24,1	73	73	-	-	-	-
TRENSTAR INC (INCORPORATED IN DELAWARE, USA) PROVISION OF MOBILE ASSET MANAGEMENT SERVICES	US\$66,9	56*	54	-	-	-	-
DIRECT:							
TRENCOR CONTAINER HOLDINGS (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA) HOLDING COMPANY OF TRENCOR CONTAINERS (PTY) LTD	R4,2	100	100	50,7	50,7	-	-
TRENCOR SERVICES (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA) CORPORATE ADMINISTRATION AND FINANCING	R1 012,2	100	100	1 015,0	1 014,3	134,0	129,1
TRENCOR SOLUTIONS (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA) HOLDING COMPANY FOR TRENSTAR INC AND TRENSTAR SA (PTY) LTD	R0,003	100	100	9,0	9,0	1,1	-
				1 074,7	1 074,0	135,1	129,1
AGGREGATE OF OTHER SUBSIDIARIES				1,3	1,3	-	-
				1 076,0	1 075,3	135,1	129,1

* Following a capital raising by TrenStar, Tencor's interest increased to 56%.

A complete list of subsidiary companies is available on request. The interest of the company in their aggregate profits and losses after taxation is as follows:

	2005 RM	2004 RM
PROFITS	478,8	263,8
LOSSES	(42,5)	(178,6)
	436,3	85,2

THE TRENCOR SHARE OPTION PLAN

In terms of The Tencor Share Option Plan, options have been granted to certain executive directors and employees amounting in aggregate to 6 740 000 ordinary shares in the unissued share capital of the company. Refer to note 34 to the financial statements.

MAXIMUM SHARES AVAILABLE FOR UTILISATION UNDER THE PLAN AT THE BEGINNING OF THE YEAR	8 731 709
OPTIONS FORFEITED DURING THE YEAR	135 000
MAXIMUM SHARES AVAILABLE FOR THE PLAN IN RESPECT OF WHICH OPTIONS HAVE NOT BEEN GRANTED AT THE END OF THE YEAR	8 866 709

During 2005 options in respect of 1 825 232 ordinary shares of 0,5 cent each (2004: 392 500 shares) were exercised at the offer price of R5,25 per share and, accordingly, the issued share capital increased from R770 160 comprising 154 032 092 shares to R778 187 comprising 155 637 324 shares at 31 December 2005.

Subsequent to the year-end, the issued share capital was increased to R779 287 comprising 155 857 324 shares as a result of 220 000 options exercised just prior to year-end but which were allotted and issued on 4 January 2006. On 15 March 2006, 3 000 options were exercised and the issued share capital increased to R779 301 comprising 155 860 324 shares.

TRENCOR LIMITED AND SUBSIDIARIES
BALANCE SHEETS

AT 31 DECEMBER 2005

	NOTES	GROUP		COMPANY	
		2005 RM	2004 RESTATED RM	2005 RM	2004 RESTATED RM
ASSETS					
PROPERTY, PLANT AND EQUIPMENT	2	6 315,2	5 596,1	–	–
GOODWILL	3	27,9	17,2	–	–
INTANGIBLE ASSETS	4	16,7	14,7	–	–
INVESTMENT IN ASSOCIATE	5	0,3	0,3	–	–
OTHER INVESTMENTS	6	30,4	22,3	10,8	6,2
INVESTMENT IN SUBSIDIARIES	7	–	–	1 210,0	1 204,4
LONG-TERM LOANS	8	24,6	24,4	–	–
LONG-TERM RECEIVABLES	9	1 240,5	1 250,6	2,8	3,7
NET INVESTMENT IN FINANCE LEASES	10	180,4	19,0	–	–
DERIVATIVE FINANCIAL INSTRUMENTS	11	28,8	–	–	–
DEFERRED TAXATION	12	151,7	257,1	–	–
TOTAL NON-CURRENT ASSETS		8 016,5	7 201,7	1 223,6	1 214,3
INVENTORIES	13	29,6	9,3	–	–
TRADE AND OTHER RECEIVABLES	14	610,3	546,6	1,3	–
INCOME TAX	15	16,1	–	0,6	0,1
CASH AND CASH EQUIVALENTS	16	710,1	439,7	–	–
TOTAL CURRENT ASSETS		1 366,1	995,6	1,9	0,1
TOTAL ASSETS		9 382,6	8 197,3	1 225,5	1 214,4
EQUITY					
ISSUED CAPITAL	17	0,8	0,8	0,8	0,8
SHARE PREMIUM		178,4	170,0	178,4	170,0
RESERVES	17	1 810,3	1 311,4	782,1	778,9
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		1 989,5	1 482,2	961,3	949,7
MINORITY INTEREST		824,4	553,2	–	–
TOTAL EQUITY		2 813,9	2 035,4	961,3	949,7
LIABILITIES					
CONVERTIBLE DEBENTURES	18	260,5	260,5	260,5	260,5
INTEREST-BEARING BORROWINGS	19	4 661,5	3 947,5	–	–
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	9	258,5	347,2	–	–
DERIVATIVE FINANCIAL INSTRUMENTS	11	2,6	25,4	–	–
DEFERRED TAXATION	12	296,6	295,7	1,3	2,1
TOTAL NON-CURRENT LIABILITIES		5 479,7	4 876,3	261,8	262,6
TRADE AND OTHER PAYABLES	20	424,4	834,7	2,4	2,1
PROVISIONS	21	58,6	42,4	–	–
INCOME TAX	15	60,9	37,9	–	–
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	19	506,3	347,5	–	–
DEFERRED INCOME		25,4	23,1	–	–
SHORT-TERM BORROWINGS	22	13,4	–	–	–
TOTAL CURRENT LIABILITIES		1 089,0	1 285,6	2,4	2,1
TOTAL LIABILITIES		6 568,7	6 161,9	264,2	264,7
TOTAL EQUITY AND LIABILITIES		9 382,6	8 197,3	1 225,5	1 214,4

TRENCOR LIMITED AND SUBSIDIARIES
INCOME STATEMENTS

2I
50.75

FOR THE YEAR ENDED 31 DECEMBER 2005

*Income
statements*

	NOTES	GROUP		COMPANY	
		2005 RM	2004 RESTATED RM	2005 RM	2004 RM
CONTINUING OPERATIONS					
REVENUE	1, 36	2 099,6	1 076,8	34,1	–
OTHER OPERATING INCOME		125,6	59,1	–	–
CHANGES IN INVENTORIES		19,2	0,6	–	–
RAW MATERIALS USED AND CONTAINERS PURCHASED FOR RESALE		(117,6)	(84,4)	–	–
DIRECT LEASING EXPENSES		(244,0)	(175,4)	–	–
STAFF COSTS		(175,7)	(198,4)	–	–
DEPRECIATION		(489,1)	(390,8)	–	–
OTHER OPERATING EXPENSES		(182,3)	(160,6)	(3,4)	(2,1)
NET LONG-TERM RECEIVABLE VALUATION ADJUSTMENT		(18,1)	316,9	–	–
OPERATING PROFIT/(LOSS) BEFORE INTEREST	24	1 017,6	443,8	30,7	(2,1)
NET INTEREST (EXPENSE)/INCOME	25	(269,5)	(185,7)	1,1	11,4
INTEREST EXPENSE		(300,2)	(195,1)	(15,6)	(16,0)
INTEREST INCOME		30,7	9,4	16,7	27,4
EXCEPTIONAL ITEMS	26	(4,5)	(39,7)	0,2	(8,5)
SHARE OF PROFIT OF ASSOCIATE		–	3,2	–	–
PROFIT BEFORE TAX		743,6	221,6	32,0	0,8
INCOME TAX (EXPENSE)/CREDIT	27	(112,0)	5,1	(0,1)	0,1
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		631,6	226,7	31,9	0,9
DISCONTINUED OPERATIONS					
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	28	5,3	(0,2)	–	–
PROFIT FOR THE YEAR		636,9	226,5	31,9	0,9
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		434,1	86,1	31,9	0,9
MINORITY INTEREST		202,8	140,4	–	–
PROFIT FOR THE YEAR		636,9	226,5	31,9	0,9
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)					
ENTITY AS A WHOLE	29	280,1	56,0		
CONTINUING OPERATIONS		276,7	56,1		
DISCONTINUED OPERATIONS		3,4	(0,1)		
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	29				
ENTITY AS A WHOLE		238,7	54,9		
CONTINUING OPERATIONS		235,9	55,0		
DISCONTINUED OPERATIONS		2,8	(0,1)		

TRENCOR LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005

GROUP	ATTRIBUTABLE TO EQUITY				
	ISSUED CAPITAL	SHARE PREMIUM	FAIR VALUE RESERVE	NON-DISTRIBUTABLE RESERVES	
				FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE ADJUSTMENT ON DERIVATIVE INSTRUMENTS
RM	RM	RM	RM	RM	
BALANCE AT 31 DECEMBER 2003 (AS PREVIOUSLY REPORTED)	0,8	167,9	(4,5)	8,7	(39,2)
RESTATEMENTS:					
FIRST-TIME ADOPTION OF IFRS (REFER NOTE 39.1)					
CHANGE IN ACCOUNTING TREATMENT IN RESPECT OF TEXTAINER DERIVATIVE INSTRUMENTS (REFER NOTE 39.2)					39,2
BALANCE AT 1 JANUARY 2004 (RESTATED)	0,8	167,9	(4,5)	8,7	-
FAIR VALUE ADJUSTMENT ON AVAILABLE-FOR-SALE INVESTMENT			0,2		
UNREALISED LOSSES ON TRANSLATION OF FOREIGN OPERATIONS, NOT RECOGNISED IN THE INCOME STATEMENT				(120,9)	
PROCEEDS ON ISSUE OF SHARES	-	2,1			
INCREASE IN INVESTMENT IN SUBSIDIARIES					
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENT TRANSFERRED TO THE INCOME STATEMENT			8,5		
TRANSFER OF GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES FROM DISTRIBUTABLE RESERVE TO NON-DISTRIBUTABLE RESERVE					
AMOUNT ARISING ON CHANGE IN MINORITY INTEREST					
EQUITY COMPENSATION CREDIT					
DIVIDENDS PAID					
PROFIT FOR THE YEAR (RESTATED)					
BALANCE AT 31 DECEMBER 2004 (RESTATED)	0,8	170,0	4,2	(112,2)	-
FAIR VALUE ADJUSTMENT ON AVAILABLE-FOR-SALE INVESTMENT			8,4		
UNREALISED GAINS ON TRANSLATION OF FOREIGN OPERATIONS, NOT RECOGNISED IN THE INCOME STATEMENT				88,7	
PROCEEDS ON ISSUE OF SHARES	-	8,4			
NET INCREASE IN INVESTMENT IN SUBSIDIARIES					
TRANSFER OF GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES FROM DISTRIBUTABLE RESERVE TO NON-DISTRIBUTABLE RESERVE					
AMOUNT ARISING FROM CHANGE IN MINORITY INTEREST					
EQUITY COMPENSATION CREDIT					
DIVIDENDS PAID					
PROFIT FOR THE YEAR					
BALANCE AT 31 DECEMBER 2005	0,8	178,4	12,6	(23,5)	-

HOLDERS OF THE PARENT (REFER NOTE 17)					
EQUITY COMPENSATION RESERVE	GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES	RETAINED INCOME	TOTAL	MINORITY INTEREST	TOTAL EQUITY
RM	RM	RM	RM	RM	RM
	78,9	1 293,6	1 506,2	522,1	2 028,3
1,4		(1,4)	–		–
		(40,9)	(1,7)		(1,7)
1,4	78,9	1 251,3	1 504,5	522,1	2 026,6
			0,2		0,2
			(120,9)	(95,0)	(215,9)
			2,1		2,1
			–	27,0	27,0
			8,5		8,5
	7,7	(7,7)	–		–
			–	(6,3)	(6,3)
1,7			1,7	1,2	2,9
			–	(36,2)	(36,2)
		86,1	86,1	140,4	226,5
3,1	86,6	1 329,7	1 482,2	553,2	2 035,4
			8,4		8,4
			88,7	63,6	152,3
			8,4		8,4
			–	42,4	42,4
	3,6	(3,6)	–		–
			–	8,0	8,0
1,8			1,8	0,9	2,7
		(34,1)	(34,1)	(46,5)	(80,6)
		434,1	434,1	202,8	636,9
4,9	90,2	1 726,1	1 989,5	824,4	2 813,9

STATEMENTS OF CHANGES IN EQUITY (continued)

Statements of
changes in
equity

FOR THE YEAR ENDED 31 DECEMBER 2005

COMPANY	NON-DISTRIBUTABLE RESERVES (REFER NOTE 17)							TOTAL EQUITY RM
	SHARE CAPITAL	SHARE PREMIUM	FAIR VALUE RESERVE	PREFERENCE SHARE AMORTISATION ADJUSTMENT	EQUITY COMPEN- SATION RESERVE	RETAINED INCOME		
	RM	RM	RM	RM	RM	RM	RM	
BALANCE AT 31 DECEMBER 2003	0,8	167,9	(4,5)	589,4	–	188,2	941,8	
FAIR VALUE ADJUSTMENT ON AVAILABLE-FOR-SALE INVESTMENT			(4,0)				(4,0)	
PROCEEDS ON ISSUE OF SHARES	–	2,1					2,1	
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENT TRANSFERRED TO THE INCOME STATEMENT			8,5				8,5	
TRANSFER OF AMORTISATION ADJUSTMENT ON PREFERENCE SHARE INVESTMENT IN SUBSIDIARY TO NON-DISTRIBUTABLE RESERVE				10,3		(10,3)	–	
EQUITY COMPENSATION CREDIT					0,4		0,4	
NET PROFIT FOR THE YEAR						0,9	0,9	
BALANCE AT 31 DECEMBER 2004 (RESTATED)	0,8	170,0	–	599,7	0,4	178,8	949,7	
FAIR VALUE ADJUSTMENT ON AVAILABLE-FOR-SALE INVESTMENT			4,7				4,7	
PROCEEDS ON ISSUE OF SHARES	–	8,4					8,4	
EQUITY COMPENSATION CREDIT					0,7		0,7	
DIVIDENDS PAID						(34,1)	(34,1)	
NET PROFIT FOR THE YEAR						31,9	31,9	
BALANCE AT 31 DECEMBER 2005	0,8	178,4	4,7	599,7	1,1	176,6	961,3	

TRENCOR LIMITED AND SUBSIDIARIES
CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

25
 50.75

*Cash flow
 statements*

	NOTES	GROUP		COMPANY	
		2005 RM	2004 RM	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	33	1 022,1	838,2	(4,0)	(3,2)
INTEREST RECEIVED		30,7	9,4	16,7	17,1
DIVIDENDS RECEIVED		-	-	34,1	-
INTEREST PAID		(301,3)	(192,7)	(15,6)	(16,0)
DIVIDENDS PAID TO MINORITIES		(46,5)	(36,2)	-	-
DIVIDENDS PAID		(34,1)	-	(34,1)	-
INCOME TAXES PAID	15	(40,0)	(70,2)	(1,4)	(0,3)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		630,9	548,5	(4,3)	(2,4)
CASH FLOWS FROM INVESTING ACTIVITIES					
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		(1 264,8)	(1 344,7)	-	-
DECREASE/(INCREASE) IN UNLISTED INVESTMENTS		1,5	(2,1)	-	-
PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		231,7	128,2	-	-
PROCEEDS ON DISPOSAL OF INVESTMENT PROPERTIES		19,2	7,9	-	-
PROCEEDS ON DISPOSAL OF INVESTMENT IN ASSOCIATE		-	47,5	-	-
INCREASE IN INTANGIBLE ASSETS		(2,9)	(2,2)	-	-
INCREASE IN LOAN TO SUBSIDIARY		-	-	(4,9)	(0,1)
(INCREASE)/DECREASE IN FINANCE LEASES		(159,4)	12,0	-	-
DECREASE IN LONG-TERM LOANS		0,8	6,6	-	-
RECEIPTS FROM EXPORT PARTNERSHIPS		-	-	0,8	0,4
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(1 173,9)	(1 146,8)	(4,1)	0,3
CASH FLOWS FROM FINANCING ACTIVITIES					
INTEREST-BEARING BORROWINGS RAISED		494,4	533,2	-	-
PROCEEDS ON ISSUE OF SHARES		8,4	2,1	8,4	2,1
RECEIPTS FROM LONG-TERM RECEIVABLES		403,2	274,0	-	-
PAYMENTS TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES		(185,6)	(66,9)	-	-
SHARES REPURCHASED BY SUBSIDIARY		(10,9)	-	-	-
SHORT-TERM BORROWINGS RAISED		13,4	-	-	-
INCREASE IN MINORITIES' INTEREST IN SUBSIDIARY		45,0	27,0	-	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		767,9	769,4	8,4	2,1
NET INCREASE IN CASH AND CASH EQUIVALENTS		224,9	171,1	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		439,7	330,5	-	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		45,5	(61,9)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	710,1	439,7	-	-

*Notes to the
financial
statements***I** ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

Trencor Limited (the 'company') is a company incorporated in South Africa. The consolidated financial statements of the company for the year ended 31 December 2005 comprise the company and its subsidiaries (together referred to as the 'group') and the group's interest in associates.

The financial statements were authorised for issue by the directors on 29 March 2006.

I.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the group is provided in note 39.

I.2 BASIS OF PREPARATION

The financial statements are presented in SA rand, rounded to the nearest one hundred thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair values: derivative financial instruments, financial instruments designated at fair value through profit and loss and financial instruments classified as available-for-sale.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 38.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2004 for the purposes of the transition to IFRS.

The accounting policies have been applied consistently by group entities.

I.3 BASIS OF CONSOLIDATION

I.3.1 SUBSIDIARIES

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Gains or losses arising on the dilution of investments in subsidiaries are recognised in the income statement and the net gain or loss attributable to the group is transferred to a non-distributable reserve.

In the case of the company, investments in subsidiaries are carried at cost less impairment losses.

I.3.2 ASSOCIATES

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an associate, the group's carrying amount is reduced to nil and recognition of further

losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

Gains or losses arising on the dilution of investments in associates are recognised in the income statement and the net gain or loss attributable to the group is transferred to a non-distributable reserve.

In the case of the company, investments in associate companies are carried at cost less impairment losses.

I.3.3 TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

I.4 FOREIGN CURRENCY

I.4.1 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to SA rand at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to SA rand at foreign exchange rates ruling at the dates the fair value was determined.

I.4.2 FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to SA rand at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to SA rand at rates approximating foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

I.4.3 NET INVESTMENT IN FOREIGN OPERATIONS

Exchange differences arising from the translation of the net investment in foreign operations are taken to the translation reserve and are released into the income statement upon disposal.

I.5 IMPAIRMENT

The carrying amounts of the group's assets, other than inventories (see accounting policy 1.16) and deferred tax assets (see accounting policy 1.15), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy 1.5.1).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

I.5.1 CALCULATION OF RECOVERABLE AMOUNT

The recoverable amount of the group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling

price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.5.2 REVERSALS OF IMPAIRMENT

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there is an indication that the impairment loss may no longer exist and/or there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 PROPERTY, PLANT AND EQUIPMENT

1.6.1 OWNED ASSETS

Items of property, plant and equipment are stated at cost less accumulated depreciation (see 1.6.4) and impairment losses (see accounting policy 1.5). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

1.6.2 LEASED ASSETS

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in accounting policy 1.24.2.

1.6.3 SUBSEQUENT COSTS

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

1.6.4 DEPRECIATION

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The current estimated useful lives are as follows:

	Years
Owner occupied buildings	50
Leasing equipment:	
Marine cargo containers	12
Kegs	15 – 20
Intermediate bulk containers	10
Plant and machinery	9
Motor vehicles	4 – 5
Other	3 – 10

The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually.

1.7 GOODWILL

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries and associates.

In respect of acquisitions prior to 1 January 2004, goodwill is included at its carrying amount, which represents the amount recorded under South African Statements of Generally Accepted Accounting Practice (SA GAAP) at the date of transition to IFRS. The classification and accounting treatment of business combinations that occurred prior to 1 January 2004 have not been reconsidered in preparing the group's opening IFRS balance sheet at 1 January 2004.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but

is tested annually for impairment (see accounting policy 1.5). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

1.8 INTANGIBLE ASSETS

1.8.1 RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see 1.8.4) and impairment losses (see accounting policy 1.5).

1.8.2 OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the group are stated at cost less accumulated amortisation and impairment losses (see accounting policy 1.5). Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

1.8.3 SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred.

1.8.4 AMORTISATION

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The current estimated useful lives are reassessed annually and are as follows:

	Years
Computer software	4
Long-term key contract	14

1.9 OTHER INVESTMENTS

Investments held by the group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. Investments are initially recognised at fair value. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of listed investments classified as available-for-sale is their quoted bid price at the balance sheet date. The fair value of unlisted investments is based on valuations received from independent valuers during the period.

Financial instruments classified as available-for-sale investments are recognised/derecognised by the group on the date it commits to purchase/sell the investments.

1.10 LOANS AND RECEIVABLES

Loans and receivables originated by the group are measured at amortised cost, less impairment losses.

1.11 LONG-TERM RECEIVABLES

The group's long-term receivables are designated as at fair value through profit and loss. Sales under long-term credit agreements are discounted to their net present value at rates considered appropriate, having regard to their terms and the currency in which they are written. The deferred portion of income is recognised over the period of the agreements on a basis which produces a constant periodic rate of return. At the financial year-end, receivables denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Any gains or losses arising from this translation are recognised in the income statement.

In the case of the company the long-term receivable represents the participation in export partnerships and is measured at amortised cost.

*Notes to the
financial
statements*

Amortised cost is the company's cost of the original participation plus its share of the gross profit less the share of the subsequent net amounts received as partner in the partnerships.

1.12 NET INVESTMENT IN DIRECT FINANCE LEASES

Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

1.13 DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as financial instruments at fair value through profit and loss.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 1.14).

The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

1.14 HEDGING**1.14.1 CASH FLOW HEDGES**

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity.

When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

1.14.2 HEDGE OF MONETARY ASSETS AND LIABILITIES

Where a derivative financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement.

1.15 TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet

date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Secondary tax on companies (STC) is recognised as part of the current tax charge in the income statement when the net dividend is declared, except where the group exemption has been elected, resulting in no STC consequences for the company. When dividends received in the current year can be offset against future dividend payments to reduce the STC liability, a deferred tax asset is recognised to the extent of probable future reductions in STC.

1.16 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.17 TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated at amortised cost less impairment losses (see accounting policy 1.5).

1.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.19 DIVIDENDS

Dividends are recognised as a liability in the period in which they are declared.

1.20 AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES

The amounts attributable to third parties in respect of long-term receivables are designated as at fair value, with changes accounted for through profit and loss. To determine fair value, the amounts are discounted to their net present value at a rate considered appropriate, having regard to their term and their denominated currency. The deferred portion of expenditure is allocated over the period of the agreements on a basis which produces a constant periodic rate of return.

1.21 FINANCIAL LIABILITIES

Non-derivative financial liabilities are measured at amortised cost (comprising original debt less principal payments and amortisations), except for amounts attributable to third parties in respect of long-term receivables, which are at fair value (see accounting policy 1.20). Debt issuance costs are capitalised and amortised over the term of the debt.

1.22 PROVISIONS

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the

expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.23 REVENUE

1.23.1 GOODS SOLD AND SERVICES RENDERED

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. Revenue includes realised and unrealised exchange differences arising from the translation of long-term receivables.

1.23.2 LEASING INCOME

MARINE CARGO CONTAINERS

Leasing income arises principally from operating and finance leases. Under operating leases container equipment owned by group companies is rented to various shipping lines and revenue is recorded when earned according to the terms of the contracts.

These contracts are typically for terms of five years or less. Under direct finance leases, containers are leased for the remainder of the container's useful life with a purchase option at the end of the lease term. Revenue is earned and recognised over the lease term so as to produce a constant periodic rate of return on the net investment in the lease.

KEGS AND INTERMEDIATE BULK CONTAINERS

Revenue from long-term agreements (generally 15-year agreements with international customers) is generated primarily by licensing the right to fill empty kegs provided to companies on a per fill fee basis. Revenue from shorter term agreements (generally five-year agreements with US customers) is recognised upon the delivery of empty kegs and intermediate bulk containers to its customers. Portions of the service and use fee revenue are subject to a rebate based upon where the keg or intermediate container is ultimately shipped by the customer.

The group reports as deferred revenue the difference between the invoiced service and use fee and the minimum service and use fee, and recognises as revenue the minimum service and use fee upon the delivery of the kegs and intermediate containers. The deferred revenue is recognised as revenue in the period in which the keg or intermediate bulk container is ultimately shipped to the customers' distributors and the rebate and additional service and use fee are known.

1.23.3 MANAGEMENT FEES

Management fees consist of fees earned by group companies for services related to the management of container equipment, reimbursements of administrative services necessary for the operation and management of equipment and net acquisition fees and sales commissions earned on the acquisition and sale of equipment.

1.23.4 DIVIDEND INCOME

In the case of the company, revenue comprises dividend income and is recognised when the right to receive payment is established.

1.24 EXPENSES

1.24.1 OPERATING LEASE PAYMENTS

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

1.24.2 FINANCE LEASE PAYMENTS

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.24.3 NET INTEREST EXPENSE

Interest paid comprises interest payable on borrowings and interest expense component of finance lease payments calculated using the effective interest rate method and amortisation of debt issuance costs. Interest income is recognised in the income statement as it accrues, using the effective interest method.

1.25 SEGMENT REPORTING

A segment is a distinguishable component of the group that is engaged in providing products or services which is subject to risks and rewards that are different from those of other segments. Based on the nature of the group's operations, geographical segment information is not distinguishable or relevant.

1.26 DISCONTINUED OPERATIONS

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

1.27 EMPLOYEE BENEFITS

1.27.1 SHORT-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The accruals for employee entitlements to remuneration and annual leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The accruals have been calculated at undiscounted amounts based on current remuneration rates.

1.27.2 POST-EMPLOYMENT BENEFITS

Provision for post-employment medical aid subsidies is calculated based on periodic actuarial valuations performed.

1.27.3 RETIREMENT BENEFITS

Certain of the company's subsidiaries contribute to defined contribution retirement funds. Contributions to these funds are charged to the income statement as incurred.

1.27.4 SHARE BASED PAYMENT TRANSACTIONS

The company and certain of its subsidiaries grant share options to certain employees under employee share option plans. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using the Actuarial Binomial Model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

1.28 COMPARATIVES

Where necessary, comparative figures have been reclassified to conform with current year presentation (refer note 39).

1.29 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statements for the year ended 31 December 2005, the following relevant accounting standards and interpretations were in issue but not yet effective:

1.29.1

IFRS 7 *Financial Instruments: Disclosures (including amendments to IAS 1, Presentation of Financial Statements: Capital Disclosures)*, which is effective for annual periods commencing on or after 1 January 2007.

The disclosures provided in respect of financial instruments in the financial statements of the period ending 31 December 2007, as well as comparative information, will be required to be compliant with IFRS 7. The disclosure requirements of IFRS 7 require additional disclosure compared to that required in terms of existing IFRS. The adoption of IFRS 7 will not have any impact on the accounting policies adopted for financial instruments.

1.29.2

IAS 39 amendment – *Financial Instruments: Recognition and Measurement (June 2005) – The Fair Value Option*, which is effective for annual periods commencing on or after 1 January 2006.

The amendments to IAS 39 will be adopted by the group for the first time for the year ending 31 December 2006 and are not expected to have any impact on the existing accounting treatment of financial instruments.

PROPERTY, PLANT AND EQUIPMENT

	GROUP							TOTAL RM
	LAND AND BUILDINGS	LEASING EQUIPMENT			PLANT AND MACHINERY	OTHER EQUIPMENT AND MOTOR VEHICLES	RM	
		MARINE CARGO CONTAINERS	INTER- MEDIATE BULK CONTAINERS	KEGS				
COST	RM	RM	RM	RM	RM	RM	RM	
2004								
BALANCE AT THE BEGINNING OF THE YEAR	45,7	4 745,4	1 044,5	100,8	56,6	88,6	6 081,6	
ADDITIONS	0,1	1 654,2	452,0	19,6	8,8	71,8	2 206,5	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	(2,1)	(946,4)	(130,2)	(6,2)	(2,8)	(14,6)	(1 102,3)	
DISPOSALS	(27,2)	(146,8)	(16,7)	(1,8)	(41,0)	(30,0)	(263,5)	
BALANCE AT THE END OF THE YEAR	16,5	5 306,4	1 349,6	112,4	21,6	115,8	6 922,3	
2005								
ADDITIONS	0,1	342,6	321,6	134,9	0,4	16,8	816,4	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	0,5	698,1	6,2	4,2	1,8	8,1	718,9	
DISPOSALS	(0,1)	(136,1)	(11,8)	(3,0)	(8,5)	(0,7)	(160,2)	
BALANCE AT THE END OF THE YEAR	17,0	6 211,0	1 665,6	248,5	15,3	140,0	8 297,4	
DEPRECIATION AND IMPAIRMENT LOSSES								
2004								
BALANCE AT THE BEGINNING OF THE YEAR	5,7	1 119,4	67,8	44,6	25,7	58,6	1 321,8	
DEPRECIATION	0,6	302,3	52,1	12,7	4,9	19,5	392,1	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	(0,8)	(242,6)	(10,4)	(0,7)	(0,5)	(8,9)	(263,9)	
DISPOSALS	(1,2)	(73,9)	(1,1)	(1,3)	(23,7)	(22,6)	(123,8)	
BALANCE AT THE END OF THE YEAR	4,3	1 105,2	108,4	55,3	6,4	46,6	1 326,2	
2005								
DEPRECIATION	0,4	376,2	78,1	16,4	1,5	16,5	489,1	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	0,4	173,7	(2,7)	0,7	0,6	4,6	177,3	
IMPAIRMENT CHARGE	-	3,1	-	-	-	-	3,1	
DISPOSALS	-	(7,8)	(1,1)	(2,6)	(1,7)	(0,3)	(13,5)	
BALANCE AT THE END OF THE YEAR	5,1	1 650,4	182,7	69,8	6,8	67,4	1 982,2	
CARRYING AMOUNTS								
AT 31 DECEMBER 2004	12,2	4 201,2	1 241,2	57,1	15,2	69,2	5 596,1	
AT 31 DECEMBER 2005	11,9	4 560,6	1 482,9	178,7	8,5	72,6	6 315,2	
NET BOOK VALUE OF ASSETS ENCUMBERED AS SECURITY FOR INTEREST-BEARING BORROWINGS INCLUDING FINANCE LEASES (REFER NOTE 19)								
AT 31 DECEMBER 2004	10,1	4 199,7	1 241,2	30,4	7,3	29,2	5 517,9	
AT 31 DECEMBER 2005	9,9	4 559,7	1 482,9	143,4	-	-	6 195,9	

2.1

The group leases equipment under a number of finance lease agreements. At 31 December 2005 the carrying amount of this leased equipment comprised the following:

	COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
2005			
LEASING EQUIPMENT - KEGS	1 096,5	140,9	955,6
2004			
LEASING EQUIPMENT - KEGS	1 044,2	85,6	958,6
OTHER EQUIPMENT	3,2	1,6	1,6
PLANT AND MACHINERY	2,6	1,8	0,8
	1 050,0	89,0	961,0

2.2

The net book value of buildings situated on leased premises amounts to R0,3 million (2004: R0,5 million).

2.3

A register containing details of land and buildings is available for inspection at the registered office of the company.

3

GOODWILL

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
COST				
BALANCE AT THE BEGINNING OF THE YEAR	41,9	41,8	-	-
ADDITIONS	10,7	1,0	-	-
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	0,5	(0,8)	-	-
DERECOGNISED PURSUANT TO DECREASE IN INVESTMENT IN SUBSIDIARY	-	(0,1)	-	-
BALANCE AT THE END OF THE YEAR	53,1	41,9	-	-
IMPAIRMENT LOSSES				
BALANCE AT THE BEGINNING OF THE YEAR	24,7	20,6	-	-
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	0,5	-	-	-
IMPAIRMENT CHARGE	-	4,1	-	-
BALANCE AT THE END OF THE YEAR	25,2	24,7	-	-
CARRYING AMOUNTS				
AT THE END OF THE YEAR	27,9	17,2	-	-

The carrying amount of R27,9 million (2004: R17,2 million) has arisen as a result of shares taken up by the group in TrenStar Inc. Goodwill was tested for impairment at 1 January 2004, even though no indication of impairment existed. The accumulated impairment losses of R25,2 million (2004: R24,7 million) relate to the impairment of the goodwill which arose from TrenStar Inc's investment in a subsidiary.

4

INTANGIBLE ASSETS

	GROUP					TOTAL
	INTERNALLY GENERATED COMPUTER SOFTWARE	PURCHASED			OTHER	
		LICENCE AGREEMENT	LONG-TERM KEG CONTRACT			
	RM	RM	RM	RM	RM	
COST						
2004						
BALANCE AT THE BEGINNING OF THE YEAR	14,7	24,7	12,2	0,9	52,5	
ADDITIONS	2,2	-	-	-	2,2	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	(1,4)	-	(1,9)	-	(3,3)	
DISPOSALS	(8,2)	-	-	-	(8,2)	
BALANCE AT THE END OF THE YEAR	7,3	24,7	10,3	0,9	43,2	
2005						
ADDITIONS	2,9	-	-	-	2,9	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	0,5	-	1,3	-	1,8	
DISPOSALS	-	(24,7)	-	-	(24,7)	
BALANCE AT THE END OF THE YEAR	10,7	-	11,6	0,9	23,2	
AMORTISATION AND IMPAIRMENT LOSSES						
2004						
BALANCE AT THE BEGINNING OF THE YEAR	4,9	24,7	0,1	0,9	30,6	
AMORTISATION FOR THE YEAR	3,0	-	0,8	-	3,8	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	(0,5)	-	(0,1)	-	(0,6)	
DISPOSALS	(5,3)	-	-	-	(5,3)	
BALANCE AT THE END OF THE YEAR	2,1	24,7	0,8	0,9	28,5	
2005						
AMORTISATION FOR THE YEAR	1,8	-	0,8	-	2,6	
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	-	-	0,1	-	0,1	
DISPOSALS	-	(24,7)	-	-	(24,7)	
BALANCE AT THE END OF THE YEAR	3,9	-	1,7	0,9	6,5	
CARRYING AMOUNTS						
AT 31 DECEMBER 2004	5,2	-	9,5	-	14,7	
AT 31 DECEMBER 2005	6,8	-	9,9	-	16,7	

Notes to the
financial
statements

4 INTANGIBLE ASSETS (continued)

The amortisation charge is recognised in other operating expenses in the income statement. No impairment losses have been recognised against these assets during the current or previous financial year.

5 INVESTMENT IN ASSOCIATE

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
UNLISTED INVESTMENT				
50% INTEREST IN TRENCOR AND CORONATION FINANCIAL SERVICES (PTY) LTD	0,3	0,3	-	-
DIRECTORS' VALUATION OF INVESTMENT IN ASSOCIATE	0,3	0,3	-	-

6 OTHER INVESTMENTS

EQUITY INSTRUMENTS AVAILABLE-FOR-SALE				
	2005 RM	2004 RM	2005 RM	2004 RM
LISTED	10,8	6,2	10,8	6,2
UNLISTED	19,6	16,1	-	-
	30,4	22,3	10,8	6,2

6.1

A detailed list of investments is available on request from the registered office of the company.

6.2

The fair values of the unlisted investments have been determined with reference to the market values of the underlying assets and liabilities in those companies.

7 INVESTMENT IN SUBSIDIARIES

ORDINARY SHARES AT COST	-	-	63,5	62,8
PREFERENCE SHARES INCLUDING AMORTISATION ADJUSTMENT	-	-	1 012,5	1 012,5
	-	-	1 076,0	1 075,3
AMOUNTS DUE BY SUBSIDIARIES	-	-	135,1	129,1
	-	-	1 211,1	1 204,4
LESS AMOUNTS INCLUDED IN TRADE AND OTHER RECEIVABLES	-	-	(1,1)	-
	-	-	1 210,0	1 204,4

7.1

3 808 746 (2004: 9 712 302) shares in Textainer representing 20% (2004: 51%) of the issued shares have been pledged as security for loans (refer note 32.5). At 31 December 2005 the group's attributable share of the net asset value of Textainer was R945,1 million (2004: R706,6 million).

7.2

Income earned from subsidiaries during the year included in the income statement:

INTEREST RECEIVED (REFER NOTE 25)	-	-	16,7	17,1
GUARANTEE FEE (REFER NOTE 32.6)	-	-	0,1	-
	-	-	16,8	17,1

8

LONG-TERM LOANS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
SECURED LOANS				
LOANS ADVANCED TO EMPLOYEES OF A GROUP COMPANY IN RESPECT OF THE EXERCISE OF SHARE OPTIONS, REPAYABLE ON SALE OF THE SHARES OR ON TERMINATION OF EMPLOYMENT. AT 31 DECEMBER 2005 THE INTEREST RATE APPLICABLE TO THE LOANS WAS 6,01% P.A. (2004: 5,88% P.A.)	8,2	8,3	-	-
TOTAL SECURED LOANS	8,2	8,3	-	-
UNSECURED LOANS				
LOANS ADVANCED TO PROPERTY INVESTMENT COMPANIES WITH NO FIXED TERMS OF REPAYMENT	16,4	16,1	-	-
24,6	24,4	-	-	

The loans in the property investment companies have been ceded to a bank as security for mortgage bond finance granted to Midrand Town Centre (Pty) Ltd, a company in which the group holds a 31% interest (refer note 6).

9

NET INVESTMENT IN LONG-TERM RECEIVABLES

NET INVESTMENT IN LONG-TERM RECEIVABLES COMPRISES:

LONG-TERM RECEIVABLES	1 240,5	1 250,6	2,8	3,7
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	(258,5)	(347,2)	-	-
	982,0	903,4	2,8	3,7
REPRESENTED BY:				
TOTAL RECEIVABLES	2 397,2	2 547,5	-	-
LESS DEFERRED INCOME	291,6	375,2	-	-
NET PRESENT VALUE OF LONG-TERM RECEIVABLES	2 105,6	2 172,3	-	-
LESS AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	556,8	742,8	-	-
TOTAL AMOUNT	669,4	905,6	-	-
LESS DEFERRED EXPENDITURE	112,6	162,8	-	-
NET PRESENT VALUE OF NET INVESTMENT IN LONG-TERM RECEIVABLES	1 548,8	1 429,5	-	-
LESS VALUATION ADJUSTMENT TO NET INVESTMENT RELATING TO:	535,4	517,7	-	-
LONG-TERM RECEIVABLES	706,9	786,8	-	-
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	(171,5)	(269,1)	-	-
	1 013,4	911,8	-	-
LESS: CURRENT PORTION OF NET INVESTMENT INCLUDED IN:	31,4	8,4	-	-
TRADE AND OTHER RECEIVABLES	158,2	134,9	-	-
TRADE AND OTHER PAYABLES	(126,8)	(126,5)	-	-
	982,0	903,4	-	-

9.1

Total receivables in base currency amounted to US\$379,9 million (2004: US\$454,1 million).

9.2

Long-term receivables are valued by discounting future cash flows. The discount rate applied to the receivables (denominated in US\$) is 8,5% p.a. (2004: 8,5% p.a.). An appropriate valuation adjustment is made to the net investment for the timing of receipt and the possible non-collectibility of these receivables, and the related effect on the payment to third parties. In recognition of the favourable conditions currently being experienced in the container leasing industry and the improved outlook for the collectibility and timing of receipts, the valuation adjustment to the net investment, before foreign currency adjustments, has been reduced by R66,9 million.

9.3

The amounts attributable to third parties in respect of the long-term receivables are denominated in SA rands and are valued by discounting future cash flows at 10% p.a. (2004: 10% p.a.). These are payable only as and when the proceeds from the related long-term receivables are received.

9 NET INVESTMENT IN LONG-TERM RECEIVABLES (continued)

9.4

The amounts attributable to third parties in respect of the long-term receivables are made up as follows:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
TOTAL AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	669,4	905,6	-	-
LESS DEFERRED EXPENDITURE	112,6	162,8	-	-
NET PRESENT VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES (AS ABOVE)	556,8	742,8	-	-
VALUATION ADJUSTMENT (AS ABOVE)	(171,5)	(269,1)	-	-
NET PRESENT VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	385,3	473,7	-	-
CURRENT PORTION INCLUDED IN TRADE AND OTHER PAYABLES (AS ABOVE)	(126,8)	(126,5)	-	-
	258,5	347,2	-	-

IO NET INVESTMENT IN FINANCE LEASES

	GROUP					
	MINIMUM LEASE PAYMENTS			MINIMUM LEASE PAYMENTS		
	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL
RM	RM	RM	RM	RM	RM	
AMOUNTS RECEIVABLE UNDER FINANCE LEASES						
WITHIN ONE YEAR	48,1	20,2	27,9	17,1	3,9	13,2
BETWEEN ONE AND FIVE YEARS	136,4	53,1	83,3	22,1	3,1	19,0
AFTER FIVE YEARS	121,5	24,4	97,1	-	-	-
	306,0	97,7	208,3	39,2	7,0	32,2

	GROUP	
	2005 RM	2004 RM
ANALYSED AS:		
NON-CURRENT FINANCE LEASE RECEIVABLES	180,4	19,0
CURRENT FINANCE LEASE RECEIVABLES INCLUDED IN TRADE AND OTHER RECEIVABLES	27,9	13,2
	208,3	32,2

IO.1

Investment in finance leases represents amounts receivable in respect of containers leased to shipping lines. The containers are usually leased for their useful lives with a purchase option at the end of the lease term.

IO.2

The interest rate inherent in the leases is fixed at the contract date for the full term of the lease. The average effective interest rate contracted approximates 13,72% p.a. (2004: 16,31% p.a.).

IO.3

Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at R102,9 million (2004: R49,4 million).

II DERIVATIVE FINANCIAL INSTRUMENTS

The following is a summary of the group's various derivative instruments at 31 December:

TYPE OF CONTRACT	FINAL MATURITY	UNDERLYING	NOTIONAL AMOUNT OF CONTRACTS OUTSTANDING RM	FAIR VALUE	
				ASSETS RM	LIABILITIES RM
2005					
SHARE WARRANTS	SEPTEMBER 2009	SHARES IN SUBSIDIARY	13,0	–	2,6
INTEREST RATE CAP	NOVEMBER 2006	INTEREST RATES	612,1	–	–
INTEREST RATE SWAP	DECEMBER 2010	INTEREST RATES	2 275,2	28,8	–
				28,8	2,6
2004					
SHARE WARRANTS	SEPTEMBER 2009	SHARES IN SUBSIDIARY	11,5	–	2,3
INTEREST RATE CAP	NOVEMBER 2005	INTEREST RATES	533,0	–	–
INTEREST RATE SWAP	DECEMBER 2009	INTEREST RATES	1 870,7	–	23,1
				–	25,4

II.1

The interest rate cap and swap contracts in Textainer have been recorded at fair value and the related fair value adjustments recorded in the income statement (refer note 39.2).

II.2

At 31 December 2005, Textainer had total variable interest rate debt principal outstanding in the amount of R3 446,3 million (2004: R2 824,5 million) of which R2 887,3 million (2004: R2 403,7 million) in notional value was covered by interest rate cap and swap contracts.

II.3

TrenStar Inc has issued five-year term warrants to subscribe for 439 492 shares at an exercise price of US\$4,67 per share to an external financier. The warrants may be exercised at any time up to 2 September 2009.

I2 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	GROUP					
	ASSETS		LIABILITIES		NET	
	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
PROPERTY, PLANT AND EQUIPMENT	–	–	121,6	99,0	121,6	99,0
IMPAIRMENT OF RECEIVABLES	(172,9)	(290,6)	123,2	124,6	(49,7)	(166,0)
ACCRUALS	–	–	130,1	146,4	130,1	146,4
FAIR VALUE ADJUSTMENT – AVAILABLE-FOR-SALE ASSETS	–	–	1,4	0,8	1,4	0,8
EXPORT PARTNERSHIPS	–	–	1,3	2,1	1,3	2,1
TAX VALUE OF LOSS CARRY-FORWARDS RECOGNISED	(49,8)	(39,2)	–	–	(49,8)	(39,2)
PROVISIONS	(10,0)	(4,5)	–	–	(10,0)	(4,5)
TAX (ASSETS)/LIABILITIES	(232,7)	(334,3)	377,6	372,9	144,9	38,6
SET-OFF OF TAX	81,0	77,2	(81,0)	(77,2)	–	–
NET TAX (ASSETS)/LIABILITIES	(151,7)	(257,1)	296,6	295,7	144,9	38,6

I2

DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movement in temporary differences for the group during the year:

	BALANCE AT THE BEGINNING OF THE YEAR RM	RECOGNISED IN INCOME RM	RECOGNISED IN EQUITY RM	EXCHANGE ADJUSTMENT IN EQUITY RM	LONG-TERM RECEIVABLE RM	BALANCE AT THE END OF THE YEAR RM
2004						
PROPERTY, PLANT AND EQUIPMENT	103,3	12,0	–	(16,3)	–	99,0
IMPAIRMENT OF RECEIVABLES	(104,6)	(63,0)	–	0,1	1,5	(166,0)
ACCRUALS	167,1	(14,2)	–	(6,5)	–	146,4
FAIR VALUE ADJUSTMENT – AVAILABLE-FOR-SALE ASSETS	–	–	0,8	–	–	0,8
EXPORT PARTNERSHIPS	2,3	(0,2)	–	–	–	2,1
TAX VALUE OF LOSS CARRY-FORWARDS UTILISED	(54,9)	8,3	–	7,4	–	(39,2)
PROVISIONS	(23,4)	18,8	–	0,1	–	(4,5)
	89,8	(38,3)	0,8	(15,2)	1,5	38,6
2005						
PROPERTY, PLANT AND EQUIPMENT	99,0	11,6	–	11,0	–	121,6
IMPAIRMENT OF RECEIVABLES	(166,0)	113,5	–	(0,1)	2,9	(49,7)
ACCRUALS	146,4	(17,3)	–	1,0	–	130,1
FAIR VALUE ADJUSTMENT – AVAILABLE-FOR-SALE ASSET	0,8	–	0,6	–	–	1,4
EXPORT PARTNERSHIPS	2,1	(0,8)	–	–	–	1,3
TAX VALUE OF LOSS CARRY-FORWARDS UTILISED	(39,2)	(5,7)	–	(4,9)	–	(49,8)
PROVISIONS	(4,5)	(5,4)	–	(0,1)	–	(10,0)
	38,6	95,9	0,6	6,9	2,9	144,9

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
DEFERRED TAX PER INCOME STATEMENT:				
CONTINUING OPERATIONS (REFER NOTE 27)				
SOUTH AFRICAN	99,4	(55,1)	(0,8)	(0,2)
FOREIGN	(4,4)	9,8	–	–
DISCONTINUED OPERATIONS (REFER NOTE 28)	0,9	7,0	–	–
	95,9	(38,3)	(0,8)	(0,2)

12.1 UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets have not been recognised in respect of the following items:

TAX LOSSES	192,1	151,8	–	–
------------	--------------	-------	---	---

12.2

In certain of the countries in which group companies operate, local tax laws provide that earnings only be taxed in those jurisdictions when the earnings are transferred out of such jurisdictions. It is intended that these earnings be permanently reinvested in those countries. At 31 December 2005, cumulative earnings of approximately R130,5 million (2004: R92,4 million) would be subject to income taxes of approximately R33,6 million (2004: R22,9 million) if such earnings of foreign companies were transferred out of such jurisdictions in the form of dividends.

12.3

In the case of the company, the deferred tax liability of R1,3 million (2004: R2,1 million) arises as a result of its participation in export partnerships. Details of the movements in temporary differences are reflected in the table above.

12.4

The company has an unutilised STC credit of R45,7 million (2004: R64,2 million) in respect of dividends received in prior years.

I3

INVENTORIES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
RAW MATERIALS	0,3	–	–	–
WORK-IN-PROGRESS	0,2	0,9	–	–
FINISHED GOODS	2,0	3,9	–	–
CONTAINER EQUIPMENT HELD FOR RESALE	27,1	4,5	–	–
	29,6	9,3	–	–

Inventory in the amount of R2,0 million (2004: R4,0 million) has been pledged as security for a loan (refer note 19).

I4

TRADE AND OTHER RECEIVABLES

TRADE RECEIVABLES	376,7	311,7	–	–
PREPAYMENTS	15,5	13,9	–	–
CURRENT PORTION OF LONG-TERM RECEIVABLES AND DIRECT FINANCE LEASES	186,1	148,1	–	–
AMOUNTS DUE IN RESPECT OF SALE OF PROPERTIES	–	43,7	–	–
OTHER	32,0	29,2	0,2	–
AMOUNTS DUE BY SUBSIDIARIES	–	–	1,1	–
	610,3	546,6	1,3	–

Trade receivables amounting to R12,9 million (2004: R14,9 million) have been pledged as security for a loan (refer note 19).

I5

INCOME TAX

AMOUNTS PAYABLE AT THE BEGINNING OF THE YEAR	37,9	64,2	–	0,1
AMOUNTS RECEIVABLE AT THE BEGINNING OF THE YEAR	–	–	(0,1)	–
EXCHANGE DIFFERENCES	3,7	(5,1)	–	–
CHARGE PER INCOME STATEMENT				
SOUTH AFRICAN NORMAL	5,4	32,5	0,9	0,1
FOREIGN	37,8	16,5	–	–
AMOUNTS PAYABLE AT THE END OF THE YEAR	(60,9)	(37,9)	–	–
AMOUNTS RECEIVABLE AT THE END OF THE YEAR	16,1	–	0,6	0,1
AMOUNTS PAID DURING THE YEAR	40,0	70,2	1,4	0,3

I6

CASH AND CASH EQUIVALENTS

BANK BALANCES	256,0	198,7	–	–
CALL DEPOSITS	239,8	84,2	–	–
RESTRICTED BANK BALANCES	214,3	156,8	–	–
	710,1	439,7	–	–

The restricted bank balances are held by grantors of finance as additional collateral for interest-bearing borrowings (refer note 19) and an operating lease for office premises.

CAPITAL AND RESERVES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
SHARE CAPITAL				
AUTHORISED				
ORDINARY SHARES OF 0,5 CENT EACH				
200 000 000 (2004: 200 000 000)	1,0	1,0	1,0	1,0
ISSUED				
ORDINARY SHARES OF 0,5 CENT EACH				
155 637 324 (2004: 154 032 092)	0,8	0,8	0,8	0,8
NUMBER OF SHARES (MILLION)				
IN ISSUE AT THE BEGINNING OF THE YEAR	154,0	153,6	154,0	153,6
ISSUED FOR CASH	1,6	0,4	1,6	0,4
IN ISSUE AT THE END OF THE YEAR, FULLY PAID	155,6	154,0	155,6	154,0

The shares were issued by the company during the year pursuant to the exercise of certain options under The Trenchor Share Option Plan (refer note 34).

	RM	RM	RM	RM
DIVIDENDS				
DIVIDENDS DECLARED AND PAID DURING THE YEAR ARE AS FOLLOWS:				
FINAL DIVIDEND IN RESPECT OF FINANCIAL YEAR 2004 - 12 CENTS PER SHARE	18,6	-	18,6	-
INTERIM DIVIDEND IN RESPECT OF FINANCIAL YEAR 2005 - 10 CENTS PER SHARE	15,5	-	15,5	-
	34,1	-	34,1	-

A final dividend of 30 cents per share in respect of financial year 2005 (2004: 12 cents per share) was declared by the board on 27 February 2006. This dividend will be subject to STC of R2,1 million (2004: nil) as the company has an unutilised STC credit (refer note 12).

Distributable reserves of the company would be subject to STC of R16,4 million if distributed by way of dividends.

RESERVES

FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

FAIR VALUE RESERVE

The fair value reserve includes the cumulative net change in the fair value, other than impairments, of available-for-sale investments until the investment is derecognised.

EQUITY COMPENSATION RESERVE

The equity compensation reserve comprises the cumulative value of share-based payments.

GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES

Represents the cumulative gain on the dilution of the group's investment in subsidiaries.

PREFERENCE SHARE AMORTISATION ADJUSTMENT

This reserve comprises the difference between the present value of the future subscription price of the preference shares paid at acquisition and the amount written up to the subscription price through the income statement using the amortised cost method (refer note 7).

I8

CONVERTIBLE DEBENTURES

Notes to the
financial
statements

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
28 626 800 UNSECURED AUTOMATICALLY CONVERTIBLE SUBORDINATED DEBENTURES OF R9,10 EACH	260,5	260,5	260,5	260,5

The debentures bear interest at 6% p.a. payable in arrears in June and December. The debentures will be automatically converted into shares on the basis of one share for each debenture converted on the last Friday of the fifth month of the financial year following the financial year in respect of which the total dividend declared in cents per share is equal to or exceeds 54,6 cents.

I9

INTEREST-BEARING BORROWINGS

	GROUP										
	CURRENT INTEREST RATE % P.A.	INTEREST FIXED OR INDEXED TO	REPAYMENT TERMS	ANNUAL INSTALMENT RM	FINAL MATURITY	FOREIGN AMOUNT		2005 RM	2004 RM		
						2005	2004				
SECURED (REFER NOTE 19.1)											
LOANS											
BORROWINGS DENOMINATED IN US\$						US\$M	US\$M				
BOND PAYABLE	4,90	LIBOR	MONTHLY	366,0	MAY 2020	546,20	–	3 446,3	–		
BOND PAYABLE						–	207,5	–	1 164,1		
DEBT FACILITY						–	296,0	–	1 660,4		
LOAN – SUBSIDIARY OF ASSOCIATE						–	16,1	–	90,4		
BANK LOAN	8,00	BANK'S COMMERCIAL RATE	ON MATURITY	–	FEB 2007	13,7	12,1	86,2	68,0		
BANK LOAN	6,85	US FEDERAL FUNDS RATE OR US PRIME	QUARTERLY	9,7	JUN 2009	14,6	–	92,0	–		
SENIOR SECURED NOTES	10,03	5 YEAR US TREASURY BOND	ON MATURITY	–	SEP 2009	17,2	15,5	108,7	87,1		
BORROWINGS DENOMINATED IN UK£						UK£M	UK£M				
BANK LOAN	7,50	UK PRIME	MONTHLY	24,8	DEC 2006	2,3	2,4	24,8	26,4		
BANK LOAN	6,25	UK PRIME	MONTHLY	1,3	DEC 2006	0,6	0,7	6,2	7,4		
BANK LOAN	6,37	FIXED	MONTHLY	12,7	SEP 2017	19,8	20,9	215,4	226,3		
BANK LOAN	4,79	FIXED	QUARTERLY	17,3	MAR 2017	18,7	–	203,7	–		
INSTALMENT SALE FACILITY DENOMINATED IN UK£						–	0,04	–	0,4		
FINANCE LEASE OBLIGATIONS											
AMOUNTS DENOMINATED IN US\$						–	US\$0,02	–	0,1		
AMOUNTS DENOMINATED IN UK£	5,57	FIXED	MONTHLY	18,9	MAY 2019	UK£40,1	UK£32,9	436,7	355,9		
AMOUNTS DENOMINATED IN UK£	5,62	FIXED	QUARTERLY	36,6	MAR 2017	UK£52,7	UK£56,8	574,0	614,2		
								5 194,0	4 300,7		
UNSECURED											
LOAN DENOMINATED IN US\$	7,00	LIBOR	ON MATURITY	–	JUL 2006	US\$3,0	US\$3,3	18,9	18,7		
TOTAL									5 212,9	4 319,4	
LESS UNAMORTISED DEBT ISSUANCE COSTS									(45,1)	(24,4)	
									5 167,8	4 295,0	
LESS CURRENT PORTION INCLUDED IN CURRENT LIABILITIES									(506,3)	(347,5)	
LOANS									(450,7)	(298,7)	
FINANCE LEASE OBLIGATIONS									(55,6)	(48,8)	
									4 661,5	3 947,5	

I9 INTEREST-BEARING BORROWINGS (continued)

I9.1

The secured loans are secured by way of a pledge against certain of the group's property, plant, equipment, all the shares in MicroStar Logistics Inc and Trencor Solutions Inc and certain inventory and trade receivables (refer notes 2, 13 and 14 respectively).

I9.2

Debt issuance costs of R42,0 million (2004: R14,8 million) were capitalised during the year.

I9.3

In terms of the articles of association, the company's borrowing powers are unlimited. Details of borrowings are as follows:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
TOTAL BORROWING FACILITIES	8 313,9	5 610,9	-	-
ACTUAL BORROWINGS AT THE END OF THE YEAR	5 212,9	4 319,4	-	-
UNUTILISED FACILITIES	3 101,0	1 291,5	-	-

I9.4

Certain loans have restrictive covenants including minimum net worth requirements, minimum working capital requirements and maintenance of minimum levels of profitability. Covenants in respect of loans totalling R116,8 million (2004: nil) were breached. Waivers for these breaches were received from the financial institutions concerned without any cost or penalty.

I9.5

Certain group companies have acquired plant and equipment in terms of finance leases. In terms of the lease agreements, the group has the option to acquire ownership of the plant and equipment for a nominal payment at the end of the leases. Details of the commitments under the finance leases are as follows:

	GROUP					
	MINIMUM LEASE PAYMENTS			MINIMUM LEASE PAYMENTS		
	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL		
	2005		2004			
	RM	RM	RM	RM	RM	RM
AMOUNTS PAYABLE UNDER FINANCE LEASES						
WITHIN ONE YEAR	115,4	59,8	55,6	99,7	50,9	48,8
BETWEEN ONE AND FIVE YEARS	466,3	203,2	263,1	398,9	161,7	237,2
AFTER FIVE YEARS	867,5	175,5	692,0	822,3	138,1	684,2
	1 449,2	438,5	1 010,7	1 320,9	350,7	970,2

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
ANALYSED AS:				
AMOUNT DUE FOR SETTLEMENT WITHIN 12 MONTHS, INCLUDED IN CURRENT LIABILITIES	55,6	48,8	-	-
AMOUNT DUE FOR SETTLEMENT AFTER 12 MONTHS	955,1	921,4	-	-
	1 010,7	970,2	-	-

20

TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
TRADE PAYABLES	104,6	67,3	–	–
ACCRUED EXPENSES	116,2	127,5	2,4	2,1
CURRENT PORTION OF AMOUNTS DUE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	126,8	126,5	–	–
AMOUNTS DUE TO CONTAINER OWNERS	37,9	65,7	–	–
AMOUNTS DUE IN RESPECT OF CONTAINER ACQUISITIONS	16,1	412,1	–	–
OTHER	22,8	35,6	–	–
	424,4	834,7	2,4	2,1

21

PROVISIONS

	GROUP							CARRYING VALUE AT THE END OF THE YEAR RM
	CARRYING VALUE AT THE BEGINNING OF THE YEAR RM	ADDITIONAL PROVISIONS RM	AMOUNTS USED RM	AMOUNTS REVERSED RM	INTEREST ADJUSTMENT RM	EXCHANGE DIFFERENCES RM		
2004								
WARRANTY PROVISION	13,8	1,0	(1,9)	(7,3)	–	(0,1)	5,5	
DAMAGE PROTECTION PLAN	27,1	19,0	(4,7)	–	–	(5,8)	35,6	
POST-EMPLOYMENT MEDICAL AID SUBSIDIES	2,6	–	(0,2)	(1,4)	0,3	–	1,3	
PROVISION FOR LEASES AND OTHER COMMITMENTS	31,3	–	(15,4)	(16,6)	0,7	–	–	
OTHER	1,0	–	–	(1,0)	–	–	–	
	75,8	20,0	(22,2)	(26,3)	1,0	(5,9)	42,4	
2005								
WARRANTY PROVISION	5,5	–	(0,2)	–	–	0,1	5,4	
DAMAGE PROTECTION PLAN	35,6	18,0	(6,0)	–	–	4,4	52,0	
POST-EMPLOYMENT MEDICAL AID SUBSIDIES	1,3	–	(0,2)	–	0,1	–	1,2	
	42,4	18,0	(6,4)	–	0,1	4,5	58,6	

21.1

The warranty provision has been raised for possible warranty claims on products sold. The provision is based on estimates made from historical warranty data associated with similar products. The group warrants certain of its products for periods of up to seven years.

21.2

The damage protection plan provision is raised for certain repairs to containers leased out and covered in terms of the plan. The lease contracts are typically for terms of five years or less.

21.3

The group provides for post-employment medical aid subsidies in respect of certain employees.

22

SHORT-TERM BORROWINGS

	CURRENT INTEREST RATE % P.A.	GROUP		COMPANY	
		2005 RM	2004 RM	2005 RM	2004 RM
LOAN FROM MOBILE INDUSTRIES LTD	8,25	7,3	–	–	–
OTHER	8,25	6,1	–	–	–
		13,4	–	–	–

These loans are unsecured and are repayable on demand.

23

INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
BALANCE AT THE BEGINNING OF THE YEAR	-	29,3	-	-
DISPOSALS	-	(29,3)	-	-
BALANCE AT THE END OF THE YEAR	-	-	-	-

24

OPERATING PROFIT/(LOSS) BEFORE INTEREST

Operating profit/(loss) before interest is arrived at after taking into account:

INCOME				
NET PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	60,5	3,6	-	-
REALISED GAINS/(LOSSES) AND FAIR VALUE ADJUSTMENTS ON DERIVATIVE FINANCIAL INSTRUMENTS	28,7	(5,7)	-	-
REALISED AND UNREALISED EXCHANGE (LOSSES)/GAINS NOT INCLUDED IN REVENUE	(11,7)	21,2	-	-
RENTAL INCOME – INVESTMENT PROPERTIES	-	2,4	-	-
ASSOCIATE	-	1,8	-	-
OTHER	-	0,6	-	-
CHARGES				
AMORTISATION OF INTANGIBLE ASSETS	2,6	3,8	-	-
AUDITORS' REMUNERATION	5,7	6,4	0,4	0,5
AUDIT FEE – CURRENT YEAR	4,4	4,1	0,1	0,1
AUDIT FEE – UNDERPROVISION PRIOR YEAR	0,3	-	-	-
TAX CONSULTANCY SERVICES	1,0	1,9	0,3	0,4
OTHER CONSULTANCY SERVICES	-	0,4	-	-
DIRECTORS' EMOLUMENTS	11,0	8,9	0,8	0,5
EXECUTIVE DIRECTORS				
SHORT-TERM EMPLOYEE BENEFITS	6,6	6,3	-	-
RETIREMENT BENEFIT CONTRIBUTIONS	0,4	0,3	-	-
EQUITY COMPENSATION BENEFITS	0,7	0,4	-	-
NON-EXECUTIVE DIRECTORS				
GUARANTEED REMUNERATION AND COMPANY CONTRIBUTIONS	3,3	1,9	0,8	0,5
IMPAIRMENT LOSSES	5,5	14,7	-	-
PROPERTY PLANT AND EQUIPMENT	3,1	-	-	-
TRADE AND OTHER RECEIVABLES	2,2	7,1	-	-
INVENTORIES	0,2	3,5	-	-
GOODWILL	-	4,1	-	-
OPERATING LEASES – PREMISES	17,1	16,1	-	-
OPERATING EXPENSES – INVESTMENT PROPERTIES	-	1,2	-	-
EQUITY COMPENSATION BENEFITS INCLUDED IN STAFF COSTS	2,7	2,9	-	-
RETIREMENT BENEFIT CONTRIBUTIONS INCLUDED IN STAFF COSTS	3,2	3,7	-	-
LOSS ON DISPOSAL OF INTANGIBLE ASSETS	-	2,9	-	-

25

NET INTEREST EXPENSE/(INCOME)

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
INTEREST EXPENSE	300,2	195,1	15,6	16,0
TEXTAINER	176,6	85,9	-	-
TRENSTAR	103,8	85,4	-	-
OTHER	19,8	23,8	15,6	15,6
PAID TO SUBSIDIARY	-	-	-	0,4
INTEREST INCOME	(30,7)	(9,4)	(16,7)	(27,4)
FROM SUBSIDIARY	-	-	(16,7)	(17,1)
AMORTISATION ADJUSTMENT ON PREFERENCE SHARES IN SUBSIDIARY	-	-	-	(10,3)
FROM ASSOCIATE	-	(0,3)	-	-
CASH AND CASH EQUIVALENTS	(19,2)	(9,1)	-	-
OTHER	(11,5)	-	-	-
	269,5	185,7	(1,1)	(11,4)

26

EXCEPTIONAL ITEMS

NET GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES	3,6	9,2	-	-
PREMIUM PAID ON SHARES REPURCHASED BY A SUBSIDIARY FROM PARTICIPANTS IN A SHARE OPTION PLAN	(8,3)	-	-	-
PROFIT ON SALE OF INVESTMENT	0,2	-	0,2	-
GOODWILL DERECOGNISED PURSUANT TO DECREASE IN INVESTMENT IN SUBSIDIARY	-	(0,1)	-	-
LOSS ON SALE OF INVESTMENT IN ASSOCIATE	-	(38,1)	-	-
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENT	-	(8,5)	-	(8,5)
LOSS ON SALE OF INVESTMENT PROPERTIES	-	(2,2)	-	-
	(4,5)	(39,7)	0,2	(8,5)

27

INCOME TAX EXPENSE/(CREDIT)

SOUTH AFRICAN NORMAL	5,4	32,5	0,9	0,1
CURRENT	6,3	33,4	0,9	0,1
ADJUSTMENT IN RESPECT OF PRIOR YEAR	(0,9)	(0,9)	-	-
FOREIGN NORMAL - CURRENT	37,8	16,5	-	-
ASSOCIATED TAX CREDIT	(26,2)	(8,8)	-	-
SOUTH AFRICAN DEFERRED	99,4	(55,1)	(0,8)	(0,2)
ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	94,9	(55,2)	(0,7)	(0,2)
ADJUSTMENT IN RESPECT OF PRIOR YEAR	1,0	0,1	-	-
REDUCTION IN TAX RATE	3,5	-	(0,1)	-
FOREIGN DEFERRED - ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	(4,4)	9,8	-	-
	112,0	(5,1)	0,1	(0,1)
THE EFFECTIVE TAX RATE IS RECONCILED AS FOLLOWS:	%	%	%	%
STATUTORY TAX RATE	29,0	30,0	29,0	30,0
NON-TAXABLE INCOME	(2,9)	(10,2)	(31,1)	(419,9)
NON-TAX PAYING OPERATIONS	(0,1)	0,5	-	-
NON-DEDUCTIBLE EXPENSES	0,3	0,2	2,5	21,3
FOREIGN DIFFERENTIAL	(14,5)	(41,5)	-	-
PRIOR YEAR ADJUSTMENT	0,2	(0,7)	0,1	1,8
COMPUTED LOSSES	2,9	14,5	-	-
CHANGE IN TAX RATE	0,4	-	(0,2)	-
ATTRIBUTABLE PROFIT OF ASSOCIATE	-	(0,3)	-	-
EXCEPTIONAL ITEMS	(0,2)	5,2	-	348,3
EFFECTIVE TAX RATE	15,1	(2,3)	0,3	(18,5)

27 INCOME TAX EXPENSE/(CREDIT)

(continued)

27.1

Certain group companies are not subject to taxation in their country of incorporation. However, these companies are subject to taxation in certain other jurisdictions due to the nature of their operations. The group estimates the tax liability based upon its interpretation of the tax laws of the various countries in which it operates. Current and deferred income taxes reflect temporary differences attributable to various jurisdictions at the appropriate statutory rates.

27.2

Certain group companies participate in export partnerships. As these companies were liable to the partnerships for the tax effect in the first year of their participation, the amount thereof was disclosed as an associated tax charge. In subsequent years the partnerships become liable to the companies for the tax arising as the underlying receivables are collected. The amount thereof is disclosed as an associated tax credit.

28 DISCONTINUED OPERATIONS

The discontinued operations relate to the container manufacturing businesses, namely the tank container factory and the dry freight marine container factory which were discontinued during 2003 and 1999 respectively.

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
REVENUE	-	43,1	-	-
PROFIT ON DISPOSAL OF PLANT AND EQUIPMENT	-	9,4	-	-
CHANGES IN INVENTORIES	-	(20,2)	-	-
RAW MATERIALS USED	-	(16,3)	-	-
REALISED AND UNREALISED EXCHANGE GAINS/(LOSSES)	3,3	(4,1)	-	-
IMPAIRMENT REVERSAL/(LOSS) - TRADE AND OTHER RECEIVABLES	3,6	(8,6)	-	-
STAFF COSTS	(0,3)	(7,0)	-	-
DEPRECIATION	-	(1,3)	-	-
OTHER INCOME	0,1	-	-	-
OTHER EXPENSES	(0,5)	(4,7)	-	-
EMPLOYEE RETRENCHMENT COSTS INCURRED	-	(1,5)	-	-
IMPAIRMENT REVERSAL ON DISPOSAL OF INVENTORY	-	0,9	-	-
LEASES AND OTHER COMMITMENTS	-	17,5	-	-
PROFIT BEFORE INTEREST	6,2	7,2	-	-
INTEREST EXPENSE	-	(0,4)	-	-
PROFIT BEFORE TAX	6,2	6,8	-	-
INCOME TAX EXPENSE	(0,9)	(7,0)	-	-
NET PROFIT/(LOSS) AFTER TAXATION	5,3	(0,2)	-	-
TOTAL ASSETS	-	0,5	-	-
TOTAL LIABILITIES	5,8	9,0	-	-
CASH FLOW INFORMATION				
CASH GENERATED FROM OPERATING ACTIVITIES	3,6	12,2	-	-
CASH GENERATED FROM INVESTING ACTIVITIES	-	4,7	-	-
	3,6	16,9	-	-

EARNINGS PER SHARE

Notes to the
financial
statements

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
BASIC EARNINGS PER SHARE				
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
FROM CONTINUING OPERATIONS	428,8	86,3	-	-
FROM DISCONTINUED OPERATIONS	5,3	(0,2)	-	-
	434,1	86,1	-	-
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	155,0	153,8	-	-
ISSUED SHARES AT 1 JANUARY (MILLION)	154,0	153,6	-	-
EFFECT OF SHARES ISSUED DURING THE YEAR (MILLION)	1,0	0,2	-	-
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)				
ENTITY AS A WHOLE	280,1	56,0	-	-
CONTINUING OPERATIONS	276,7	56,1	-	-
DISCONTINUED OPERATIONS	3,4	(0,1)	-	-
DILUTED				
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	434,1	86,1	-	-
EFFECT OF DILUTIVE POTENTIAL SHARES:				
AFTER TAX EFFECT OF INTEREST ON CONVERTIBLE DEBENTURES	11,1	-	-	-
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (DILUTED)	445,2	86,1	-	-
WEIGHTED AVERAGE NUMBER OF SHARES (MILLION) (DILUTED)	186,5	156,8	-	-
WEIGHTED AVERAGE NUMBER OF SHARES BASIC EARNINGS PER SHARE (MILLION)	155,0	153,8	-	-
EFFECT OF CONVERSION OF CONVERTIBLE DEBENTURES (MILLION)	28,6	-	-	-
EFFECT OF SHARE OPTIONS ON ISSUE (MILLION)	2,9	3,0	-	-
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)				
ENTITY AS A WHOLE	238,7	54,9	-	-
CONTINUING OPERATIONS	235,9	55,0	-	-
DISCONTINUED OPERATIONS	2,8	(0,1)	-	-

The dilution arises as a result of the potential exercise of the outstanding share options and convertible debentures referred to in note 18. No dilutive effect was presented in the previous year in respect of the convertible debentures as this would have been anti-dilutive.

HEADLINE EARNINGS PER SHARE				
UNDILUTED				
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	434,1	86,1	-	-
DISCONTINUING OPERATIONS	(5,3)	0,2	-	-
EXCEPTIONAL ITEMS	4,5	39,7	-	-
IMPAIRMENT OF GOODWILL	-	1,9	-	-
IMPAIRMENT OF PLANT AND EQUIPMENT	2,3	-	-	-
NET PROFIT ON SALE OF PLANT AND EQUIPMENT	(26,8)	(9,0)	-	-
MINORITY SHARE OF EXCEPTIONAL ITEMS	(2,3)	1,6	-	-
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	406,5	120,5	-	-
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	155,0	153,8	-	-
HEADLINE EARNINGS PER SHARE (CENTS)	262,3	78,3	-	-
DILUTED				
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	406,5	120,5	-	-
EFFECT OF DILUTIVE POTENTIAL SHARES:				
AFTER TAX EFFECT OF INTEREST ON CONVERTIBLE DEBENTURES	11,1	-	-	-
DILUTED HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	417,6	120,5	-	-
WEIGHTED AVERAGE NUMBER OF SHARES (MILLION) (DILUTED)	186,5	156,8	-	-
DILUTED HEADLINE EARNINGS PER SHARE (CENTS)	223,9	76,8	-	-

29 EARNINGS PER SHARE (continued)

ADJUSTED UNDILUTED HEADLINE EARNINGS PER SHARE

Circular 07/02 issued by The South African Institute of Chartered Accountants requires that profits and losses on the sale of property, plant and equipment be excluded from the calculation of headline earnings. The directors consider that, given the nature of Textainer's business model, this treatment of profits and losses on sales of containers from its leasing fleet is not appropriate for a proper understanding of the results of the group. Accordingly, adjusted undiluted headline earnings per share, which includes profits and losses on the sale of containers, is also presented for information.

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	406,5	120,5	-	-
NET PROFIT ON SALE OF CONTAINERS	29,5	18,2	-	-
ADJUSTED UNDILUTED HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	436,0	138,7	-	-
ADJUSTED UNDILUTED HEADLINE EARNINGS PER SHARE (CENTS)	281,3	90,2	-	-

30 OPERATING LEASES COMMITMENTS

LEASES AS LESSEE

NON-CANCELLABLE OPERATING LEASE RENTALS ARE PAYABLE AS FOLLOWS:

WITHIN ONE YEAR	12,9	13,1	-	-
BETWEEN ONE AND FIVE YEARS	44,4	41,8	-	-
AFTER FIVE YEARS	10,9	14,8	-	-
	68,2	69,7	-	-

The group leases a number of office premises under operating leases. The leases typically run for a period of five to six years, with an option to renew the lease upon expiration. None of the leases include contingent rentals.

31 CAPITAL COMMITMENTS

FOR CONTAINER LEASING EQUIPMENT AUTHORISED BY THE BOARD:

CONTRACTED	3,2	109,5	-	-
NOT YET CONTRACTED	-	16,9	-	-
	3,2	126,4	-	-

This expenditure will be financed from normal cash flows and existing facilities.

32 CONTINGENT LIABILITIES, GUARANTEES AND OTHER COMMITMENTS

32.1

On 18 April 2005, the Public Limited Partnerships in the USA sold substantially all of their assets. As part of this sale, the purchaser engaged Textainer, one of the general partners, to continue to manage the containers acquired by it.

Four lawsuits were filed against certain group companies between March and July 2005, initiated by certain Partnership unitholders that allege US securities law violations, errors in related party proxy statements and breaches of fiduciary duties by the general partners of the Partnerships associated with the asset sale. The lawsuits seek certain remedies from the Partnerships and Textainer. While it is not possible to predict or determine the outcome of these lawsuits, the board of Textainer believes that, based on legal opinion received, they are without merit and will vigorously defend any claims.

32.2

A group company has issued a guarantee in respect of export finance granted to customers, to the Industrial Development Corporation of South Africa Ltd under which the total potential liability at 31 December 2005 was R7,8 million (2004: R9,0 million).

32.3

The company has warranted the performance and obligations of certain subsidiary companies in terms of a number of partnership agreements entered into with third parties. The partnerships were established for the purposes of purchasing and selling marine cargo containers. At 31 December 2005, the aggregate amount attributable to third parties in terms of these arrangements and payable to them over the remaining term of the underlying contracts was R669,4 million (2004: R905,6 million) (refer note 9).

32.4

The company has guaranteed the overdraft facility of a subsidiary company. The actual utilisation of the facility at 31 December 2005 and 2004 was nil.

32.5

3 808 746 shares in Textainer (representing 20% of the issued shares) have been pledged as security for loan facilities of an associate company.

32.6

The company has agreed to act on behalf of TrenStar Inc in providing a credit enhancement arrangement required by a bank, for which the company would be fully indemnified by the subsidiary. As consideration for the company's accommodation and assistance in implementing the credit enhancement arrangements the company receives a guarantee fee from the subsidiary. The amount of the loan outstanding at 31 December 2005 was R92,0 million (2004: nil) (refer note 19).

32.7

Textainer has entered into various agreements with third parties for the purchase of containers for resale which expire in June and September 2006 amounting to R14,2 million (2004: nil). The amount outstanding under these agreements at 31 December 2005 was R9,4 million (2004: nil).

NOTE TO THE CASH FLOW STATEMENTS

33

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM/(UTILISED BY) OPERATIONS:				
PROFIT BEFORE TAXATION	749,8	228,4	32,0	0,8
CONTINUING OPERATIONS	743,6	221,6	32,0	0,8
DISCONTINUED OPERATIONS	6,2	6,8	-	-
ADJUSTED FOR:				
INTEREST EXPENSE	300,2	195,5	15,6	16,0
INTEREST INCOME	(30,7)	(9,4)	(16,7)	(27,4)
DIVIDENDS RECEIVED	-	-	(34,1)	-
SHARE OF PROFIT OF ASSOCIATE	-	(3,2)	-	-
UNREALISED FOREIGN EXCHANGE (GAINS)/LOSSES	(269,6)	374,5	-	-
NET INCREASE/(DECREASE) IN VALUATION ADJUSTMENT IN RESPECT OF NET INVESTMENT IN LONG-TERM RECEIVABLES	17,7	(308,2)	-	-
OTHER NON-CASH FLOW ADJUSTMENTS TO THE NET INVESTMENT IN LONG-TERM RECEIVABLES	(36,1)	(14,8)	-	-
DEPRECIATION	489,1	392,1	-	-
FAIR VALUE ADJUSTMENT ON DERIVATIVE FINANCIAL INSTRUMENTS	(55,0)	(57,3)	-	-
INCREASE/(DECREASE) IN PROVISIONS	18,1	(5,3)	-	-
PROFIT ON SALE OF PROPERTY, PLANT AND EQUIPMENT	(60,5)	(13,0)	-	-
EXCEPTIONAL ITEMS	4,5	39,7	(0,2)	8,5
IMPAIRMENT OF TRENCOR EXPORT PARTNERSHIP	-	-	0,1	-
IMPAIRMENT LOSSES	1,9	22,4	-	-
LOSS ON DISPOSAL OF INTANGIBLE ASSET	-	2,9	-	-
SHARE-BASED PAYMENTS	2,7	2,9	-	-
AMORTISATION OF INTANGIBLE ASSETS	2,6	3,8	-	-
DEFERRED INCOME	(0,5)	(0,2)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	1 134,2	850,8	(3,3)	(2,1)
WORKING CAPITAL CHANGES	(112,1)	(12,6)	(0,7)	(1,1)
(INCREASE)/DECREASE IN INVENTORIES	(19,5)	37,1	-	-
INCREASE IN TRADE AND OTHER RECEIVABLES	(40,2)	(135,1)	(1,0)	-
(DECREASE)/INCREASE IN TRADE AND OTHER PAYABLES	(52,4)	85,4	0,3	(1,1)
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	1 022,1	838,2	(4,0)	(3,2)

34

EMPLOYEE BENEFITS

34.1 SHARE-BASED PAYMENTS

The company and two of its subsidiaries listed below have share option plans in place for certain employees, including executive directors, to purchase shares in terms of the rules of the individual plans. All plans are classified as equity-settled.

	TRENCOR	TEXTAINER	TRENCOR
NUMBER OF SHARES AUTHORISED UNDER SHARE OPTION PLANS			
AT 31 DECEMBER 2005 AND 2004	15 284 209	1 550 000	1 500 000

SUMMARY OF ACTIVITY IN SHARE OPTION PLANS

TRENCOR

Options granted to employees effective 30 June 2001 who were in employment for less than 5 years at grant date, vest over a total period of 6 years from the option grant date. Those issued to employees in employment for more than 5 years at grant date vest over a total period of 3 years. The right to exercise the 400 000 options granted to certain directors on 11 June 2004 is subject to certain performance criteria associated with the performance of certain companies in the group. These options vest as follows: 100 000 on each of the third, fourth, fifth and sixth anniversaries of the grant date. All options lapse after a period of 8 years after the grant date.

	EMPLOYMENT LESS THAN 5 YEARS	EMPLOYMENT MORE THAN 5 YEARS
	% OF GRANT	% OF GRANT
OPTIONS VESTING AFTER 1 YEAR		25,0
AFTER 2 YEARS		25,0
AFTER 3 YEARS	25,0	50,0
AFTER 4 YEARS	25,0	
AFTER 5 YEARS	25,0	
AFTER 6 YEARS	25,0	
	100,0	100,0

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE R	EXPIRATION YEAR
OUTSTANDING AT 31 DECEMBER 2003	3 452 500	1 940 000	5 392 500	5,25	2009
GRANTED	400 000	–	400 000	12,10	2012
FORFEITED	(37 500)	–	(37 500)	5,25	2009
EXERCISED	–	(392 500)	(392 500)	5,25	2009
VESTED	(2 837 500)	2 837 500	–	5,25	2009
OUTSTANDING AT 31 DECEMBER 2004	977 500	4 385 000	5 362 500	5,76	2009
FORFEITED	(103 750)	(31 250)	(135 000)	5,25	2009
EXERCISED	–	(1 825 232)	(1 825 232)	5,25	2009
VESTED	(161 250)	161 250	–	5,25	2009
OUTSTANDING AT 31 DECEMBER 2005	712 500	2 689 768	3 402 268	6,06	2009

The weighted average share price at date of exercise was R19,23 per share (2004: R12,00 per share).

The fair value of the share options at grant date is determined based on the Actuarial Binomial Model. The model inputs were as follows:

	GRANT DATE 11 JUN 04
NUMBER OF OPTIONS GRANTED	400 000
FAIR VALUE AT MEASUREMENT DATE (R)	7,67
SHARE PRICE AT GRANT DATE (R)	12,10
EXPECTED OPTION LIFE (YEARS)	5 – 7
VOLATILITY	50,5% – 52,8%
DIVIDEND YIELD	0,0%
RISK FREE RATE (BASED ON NATIONAL GOVERNMENT BONDS)	10,0% – 10,1%

In determining share price volatility, consideration has been given to historic volatility as well as the expected option lifetime.

TEXTAINER

The options vest over a total period of 5 years from the option grant date as detailed below. There are no performance criteria attached to the option plan. All options lapse after a period of 10 years from date of grant.

	% OF GRANT
OPTIONS VESTING AFTER 1 YEAR	20,0
AFTER 2 YEARS	20,0
AFTER 3 YEARS	20,0
AFTER 4 YEARS	20,0
AFTER 5 YEARS	20,0
	100,0

EMPLOYEE BENEFITS (continued)

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE US\$	EXPIRATION YEAR
OUTSTANDING AT 31 DECEMBER 2003	225 000	285 000	510 000	5,22	2010
EXERCISED	-	(105 000)	(105 000)	5,13	2009
VESTED	(75 000)	75 000	-	5,62	2011
OUTSTANDING AT 31 DECEMBER 2004	150 000	255 000	405 000	5,24	2010
EXERCISED	-	(125 000)	(125 000)	5,21	2010
VESTED	(75 000)	75 000	-	5,62	2011
OUTSTANDING AT 31 DECEMBER 2005	75 000	205 000	280 000	5,25	2010

No options were granted after 7 November 2002 and thus, in terms of IFRS 2, there is no requirement to account for the options granted under this plan.

TRENSTAR INC

The options vest over a total period of 4 years from the option grant date as detailed below. There are no performance criteria attached to the option plan. All options lapse after a period of 10 years from the date of grant.

	% OF GRANT
OPTIONS VESTING AFTER 1 YEAR	25,0
AFTER 2 YEARS	25,0
AFTER 3 YEARS	25,0
AFTER 4 YEARS	25,0
	100,0

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE US\$	EXPIRATION YEAR
OUTSTANDING AT 31 DECEMBER 2003	852 398	427 602	1 280 000	4,28	2011
GRANTED	360 000	-	360 000	4,54	2014
FORFEITED	(153 750)	(131 250)	(285 000)	4,23	2011
VESTED	(443 019)	443 019	-	4,32	2011
OUTSTANDING AT 31 DECEMBER 2004	615 629	739 371	1 355 000	4,36	2012
GRANTED	49 302	-	49 302	4,67	2014
FORFEITED	(57 739)	(754 663)	(812 402)	4,30	2011
VESTED	(431 490)	431 490	-	4,37	2011
OUTSTANDING AT 31 DECEMBER 2005	175 702	416 198	591 900	4,47	2012

The fair value of the share appreciation rights at grant date is determined based on the Actuarial Binomial Model. 785 000 share options have been granted since 7 November 2002. In valuing the grants each tranche was separately considered. The model inputs were as follows:

	GRANT DATE BETWEEN 1 JAN 03 AND 1 OCT 03	GRANT DATE 1 JAN 04	GRANT DATE 1 MAR 04	GRANT DATE BETWEEN 17 MAY 04 AND 2 SEP 04
NUMBER OF OPTIONS GRANTED	425 000	5 000	100 000	255 000
FAIR VALUE AT MEASUREMENT DATE (US\$)	1,69	1,82	1,61	1,83
SHARE PRICE AT GRANT DATE (US\$)	4,50	4,67	4,20	4,67
EXPECTED OPTION LIFE (YEARS)	4 - 6	4 - 6	4 - 6	4 - 6
VOLATILITY	45,0%	45,0%	45,0%	45,0%
DIVIDEND YIELD	0,0%	0,0%	0,0%	0,0%
RISK FREE RATE (BASED ON NATIONAL GOVERNMENT BONDS)	2,8% - 3,8%	3,3% - 4,1%	3,1% - 3,8%	3,6% - 4,7%

In determining share price volatility consideration has been given to historic volatility as well as the expected option lifetime.

34.2 RETIREMENT BENEFIT FUNDS

Membership of the Trencor Pension Fund, a defined contribution fund governed by the Pension Funds Act, is compulsory for all permanent employees in South Africa who are not members of industry funds.

At 31 December 2005 the Trencor Pension Fund had 129 members (2004: 244 members) whose aggregate share of the fund amounted to R51,4 million (2004: R129,3 million). The fund has no liability in respect of pensions as all pensioners were transferred to an insurer and all new retirees purchase annuities from insurers.

Certain non-South African group companies offer defined contribution plans for their employees in the various jurisdictions in which they are employed. None of these plans have any liability in respect of pensioners.

34.3 POST RETIREMENT MEDICAL AID

Certain employees' medical aid contributions, post-retirement, are subsidised by a group company. These subsidies have been fully provided for (refer note 21).

35

FINANCIAL INSTRUMENTS

Exposure to cash flow, funding, credit, currency and interest rate risks arise in the normal course of the group's business. Derivative financial instruments are used to hedge exposure to fluctuations in interest rates.

Treasury committees in group companies, consisting of senior executives, meet as required to consider currency and interest rate exposures and treasury management strategies. Compliance with group policies and exposure limits are reviewed at quarterly meetings of the board.

35.1 CASH FLOW AND FUNDING RISK

The risk is managed through cash flow forecasts and ensuring that adequate borrowing facilities are maintained. In terms of the company's articles of association, its borrowing powers are unlimited (refer note 19.3).

35.2 CREDIT RISK

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash, long-term receivables and trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The group's cash equivalents are placed only with financial institutions having acceptable credit ratings. Credit risk with respect to trade and other receivables is mitigated due to the diverse customer base. The risk arising on short-term trade and other receivables is also managed through a group policy on the granting of credit limits and continual review and monitoring of these limits. Accordingly, the group has no significant concentration of credit risk with respect to these financial assets.

Credit risk with respect to long-term receivables is determined by the creditworthiness of the international customers to whom containers are supplied. Management closely monitors the activities and performance of these customers. Long-term receivables are valued by discounting future cash flows and an appropriate adjustment is made to the net investment for the timing of receipt and possible non-collectibility of these receivables and the related effect on the payment to third parties.

*Notes to the
financial
statements*

35 FINANCIAL INSTRUMENTS (continued)

With respect to the interest rate swap and cap contracts, the group's exposure to credit risk is determined with reference to the counterparties with which they contract and the markets and countries in which those counterparties conduct their business. Limits are established in advance for all credit exposures within strict company guidelines. Individual limits and the utilisation of those limits are continually reassessed. The group minimises such credit risk by limiting the counterparties to a group of major financial institutions, regulated by the relevant regulatory bodies, and does not expect to incur any losses as a result of non-performance by these counterparties.

35.3 FOREIGN CURRENCY RISK

The group enters into forward exchange contracts from time to time and as required to buy and sell specified amounts of various foreign currencies in the future at predetermined exchange rates. The contracts are entered into in order to manage the group's exposure to fluctuations in foreign currency exchange rates. The contracts are generally matched with anticipated future cash flows in foreign currencies primarily from sales and purchases. As at 31 December 2005 the group had no exposure to foreign currency contracts.

The following is an analysis of the group's assets and liabilities, other than property, plant and equipment, goodwill, intangible assets, investment in associate, taxation receivable/payable and deferred taxation, in terms of the currencies in which they are held, expressed in SA rand at 31 December:

	DENOMINATED IN:	SA RAND	US\$	UKE	TOTAL
		RM	RM	RM	RM
2005					
ASSETS					
OTHER INVESTMENTS		13,4	14,9	2,1	30,4
LONG-TERM LOANS		16,4	8,2	-	24,6
LONG-TERM RECEIVABLES		-	1 240,5	-	1 240,5
NET INVESTMENT IN FINANCE LEASES		-	180,4	-	180,4
DERIVATIVE FINANCIAL INSTRUMENTS		-	28,8	-	28,8
INVENTORIES		0,4	27,1	2,1	29,6
TRADE AND OTHER RECEIVABLES		43,8	484,1	82,4	610,3
CASH AND CASH EQUIVALENTS		2,5	562,4	145,2	710,1
		76,5	2 546,4	231,8	2 854,7

	DENOMINATED IN: SA R AND RM	US\$ RM	UK£ RM	TOTAL RM
LIABILITIES				
CONVERTIBLE DEBENTURES	260,5	–	–	260,5
INTEREST-BEARING BORROWINGS	–	3 320,4	1 341,1	4 661,5
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	258,5	–	–	258,5
DERIVATIVE FINANCIAL INSTRUMENTS	–	2,6	–	2,6
TRADE AND OTHER PAYABLES	144,5	209,8	70,1	424,4
PROVISIONS	6,0	52,0	0,6	58,6
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	–	394,6	111,7	506,3
DEFERRED INCOME	0,2	2,1	23,1	25,4
SHORT-TERM BORROWINGS	13,4	–	–	13,4
	683,1	3 981,5	1 546,6	6 211,2
2004				
ASSETS				
OTHER INVESTMENTS	9,1	11,1	2,1	22,3
LONG-TERM LOANS	16,1	8,3	–	24,4
LONG-TERM RECEIVABLES	–	1 250,6	–	1 250,6
NET INVESTMENT IN FINANCE LEASES	–	19,0	–	19,0
INVENTORIES	0,8	4,5	4,0	9,3
TRADE AND OTHER RECEIVABLES	58,0	449,4	39,2	546,6
CASH AND CASH EQUIVALENTS	49,5	280,0	110,2	439,7
	133,5	2 022,9	155,5	2 311,9
LIABILITIES				
CONVERTIBLE DEBENTURES	260,5	–	–	260,5
INTEREST-BEARING BORROWINGS	–	2 812,5	1 135,0	3 947,5
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	347,2	–	–	347,2
DERIVATIVE FINANCIAL INSTRUMENTS	–	25,4	–	25,4
TRADE AND OTHER PAYABLES	164,8	616,4	53,5	834,7
PROVISIONS	6,2	35,6	0,6	42,4
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	–	258,7	88,8	347,5
DEFERRED INCOME	0,3	3,8	19,0	23,1
	779,0	3 752,4	1 296,9	5 828,3

Exchange rates applied at year-end were R6,31=US\$1 (2004: R5,61=US\$1) and R10,90=UK£1 (2004: R10,82=UK£1).

35.4 INTEREST RATE RISK

As part of the process of managing the group's fixed and floating rate borrowings mix, the interest rate borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to anticipated movements in interest rates.

The group is exposed to interest rate risk as it borrows or places funds on the money market. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with registered financial institutions which are subject to compliance with the relevant regulatory bodies.

The group's financial instruments that are subject to interest rate risk at 31 December are as follows:

FINANCIAL INSTRUMENTS (continued)

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE % P.A	MATURITY OF INTEREST- BEARING ASSETS/LIABILITIES				NON- INTEREST- BEARING RM	TOTAL RM
		ONE YEAR OR LESS RM	ONE TO FIVE YEARS RM	MORE THAN FIVE YEARS RM			
2005							
ASSETS							
LONG-TERM LOANS							
SA RAND	-	-	-	-	-	16,4	16,4
US\$	6,01	-	8,2	-	-	-	8,2
		-	8,2	-	-	16,4	24,6
CASH AND CASH EQUIVALENTS							
SA RAND	2,75	2,5	-	-	-	-	2,5
UK£	4,17	108,8	-	-	-	36,4	145,2
US\$	3,05	387,7	-	-	-	174,7	562,4
		499,0	-	-	-	211,1	710,1
LIABILITIES							
INTEREST-BEARING BORROWINGS							
AT FIXED INTEREST RATES							
UK£	5,60	85,6	397,7	946,5	(8,0)	-	1 421,8
AT FLOATING INTEREST RATES							
UK£	7,25	26,1	4,9	-	-	-	31,0
US\$	5,17	394,6	2 063,5	1 294,0	(37,1)	-	3 715,0
		420,7	2 068,4	1 294,0	(37,1)	-	3 746,0
		506,3	2 466,1	2 240,5	(45,1)	-	5 167,8
SHORT-TERM BORROWINGS - AT FLOATING INTEREST RATES							
SA RAND	8,25	13,4	-	-	-	-	13,4
		13,4	-	-	-	-	13,4
2004							
ASSETS							
LONG-TERM LOANS							
SA RAND	-	-	-	-	-	16,1	16,1
US\$	5,88	-	8,3	-	-	-	8,3
		-	8,3	-	-	16,1	24,4
CASH AND CASH EQUIVALENTS							
SA RAND	5,47	49,5	-	-	-	-	49,5
UK£	4,16	72,4	-	-	-	37,8	110,2
US\$	0,78	277,9	-	-	-	2,1	280,0
		399,8	-	-	-	39,9	439,7
LIABILITIES							
INTEREST-BEARING BORROWING							
AT FIXED INTEREST RATES							
UK£	5,75	61,2	312,7	822,9	(6,8)	-	1 190,0
US\$	8,00	-	0,1	-	-	-	0,1
		61,2	312,8	822,9	(6,8)	-	1 190,1
AT FLOATING INTEREST RATES							
UK£	6,87	27,6	5,1	1,7	(0,6)	-	33,8
US\$	3,71	258,7	1 243,7	1 585,7	(17,0)	-	3 071,1
		286,3	1 248,8	1 587,4	(17,6)	-	3 104,9
		347,5	1 561,6	2 410,3	(24,4)	-	4 295,0

The group makes use of interest rate derivatives as approved in terms of company policy limits in order to manage interest rate risk. Certain group companies have entered into various interest rate cap and swap agreements to hedge against interest rate exposure associated with its variable rate debt. The cap agreements, in general, involve the payment of certain premiums by the companies in exchange for reimbursement of certain interest rate payments, which exceed contractual fixed rate payment ceilings. The swap agreements involve payments by the companies to counterparties at fixed rates in return for receipts based upon variable rates indexed to LIBOR (refer notes 11 and 19).

35.5 SENSITIVITY ANALYSIS

In managing interest rate and currency risks the group aims to reduce the impact of short-term fluctuations on the group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 31 December 2005, it is estimated that a general increase of one percentage point in interest rates would decrease the group's profit before tax by approximately R9,1 million (2004: R9,6 million). Interest rate swaps have been included in this calculation.

It is estimated that a general depreciation of one percentage point in the value of the SA rand against the US dollar would have increased the group's profit before tax by approximately R16,5 million for the year ended 31 December 2005 (2004: R17,4 million).

35.6 FAIR VALUES

The fair values of all financial instruments are substantially similar to carrying amounts reflected in the balance sheet, except for the convertible debentures (refer note 18). The fair values together with the carrying amounts are as follows:

	GROUP AND COMPANY			
	FAIR VALUE	CARRYING VALUE	FAIR VALUE	CARRYING VALUE
	2005		2004	
	RM	RM	RM	RM
CONVERTIBLE DEBENTURES	566,8	260,5	415,1	260,5

SEGMENT REPORTING

The group has four operating divisions: Container Finance; Container Owning, Leasing and Management; Mobile Asset Management Services and Other Operations. The Container Manufacturing division was accounted for as a discontinued operation. There are no transactions between segments included in the segment result.

	CONTAINER FINANCE		CONTAINER OWNING, LEASING AND MANAGEMENT		MOBILE ASSET MANAGEMENT SERVICES	
	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
REVENUE						
REVENUE FROM EXTERNAL CUSTOMERS						
CONTINUING OPERATIONS	292,0	(387,7)	1 394,8	1 104,0	411,5	358,9
GOODS SOLD AND SERVICES RENDERED	(29,7)	(0,8)	101,5	53,6	55,1	84,9
LEASING INCOME	-	-	1 195,4	936,4	356,2	273,9
MANAGEMENT FEES	-	-	97,9	114,0	-	-
FINANCE INCOME	49,6	6,8	-	-	0,2	0,1
REALISED AND UNREALISED EXCHANGE GAINS	272,1	(393,7)	-	-	-	-
DISCONTINUED OPERATIONS						
GOODS SOLD	-	-	-	-	-	-
SEGMENT RESULT						
NET PROFIT BEFORE INTEREST AND ITEMS REFLECTED BELOW AND TAXATION	283,2	(82,6)	715,4	532,9	43,8	(13,7)
CONTINUING OPERATIONS	283,2	(82,6)	715,4	532,9	43,8	(13,7)
DISCONTINUED OPERATIONS	-	-	-	-	-	-
NET INTEREST EXPENSE						
EXCEPTIONAL ITEMS						
SHARE OF PROFIT OF ASSOCIATE						
INCOME TAX (EXPENSE)/CREDIT						
CONTINUING OPERATIONS						
DISCONTINUED OPERATIONS						
PROFIT AFTER TAXATION						
OTHER INFORMATION						
SEGMENT ASSETS	1 398,6	1 385,6	5 461,5	4 753,7	2 092,4	1 614,5
CONTINUING OPERATIONS	1 398,6	1 385,6	5 461,5	4 753,7	2 092,4	1 614,5
DISCONTINUED OPERATIONS	-	-	-	-	-	-
INVESTMENT IN ASSOCIATE AND OTHER INVESTMENTS						
LONG-TERM LOANS						
DEFERRED TAXATION						
TOTAL ASSETS						
SEGMENT LIABILITIES	385,6	474,3	230,8	653,2	135,4	106,8
CONTINUING OPERATIONS	385,6	474,3	230,8	653,2	135,4	106,8
DISCONTINUED OPERATIONS	-	-	-	-	-	-
CONVERTIBLE DEBENTURES						
INTEREST-BEARING BORROWINGS						
DEFERRED TAXATION						
INCOME TAX						
TOTAL LIABILITIES						
SUPPLEMENTARY INFORMATION						
CAPITAL EXPENDITURE	-	-	346,1	1 662,0	469,8	544,1
DEPRECIATION AND AMORTISATION EXPENSE	-	-	381,4	307,3	108,3	85,2
CONTINUING OPERATIONS	-	-	381,4	307,3	108,3	85,2
DISCONTINUING OPERATIONS	-	-	-	-	-	-
OTHER SIGNIFICANT NON-CASH INCOME/(EXPENSES)	307,8	(379,3)	103,1	89,8	(7,1)	(36,8)
NET LONG-TERM RECEIVABLE VALUATION ADJUSTMENT	(18,1)	316,9	-	-	-	-
IMPAIRMENT (LOSSES)/REVERSALS	-	-	(3,9)	(5,5)	(1,6)	(9,2)

OTHER (INCLUDING CORPORATE OVERHEADS)		DISCONTINUED: CONTAINER MANUFACTURING		CONSOLIDATED	
2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
1,3	1,6	–	–	2 099,6	1 076,8
1,3	1,6	–	–	128,2	139,3
–	–	–	–	1 551,6	1 210,3
–	–	–	–	97,9	114,0
–	–	–	–	49,8	6,9
–	–	–	–	272,1	(393,7)
–	–	–	43,1	–	43,1
(24,8)	7,2	6,2	7,2	1 023,8	451,0
(24,8)	7,2	–	–	1 017,6	443,8
–	–	6,2	7,2	6,2	7,2
				(269,5)	(186,1)
				(4,5)	(39,7)
				–	3,2
				(112,9)	(1,9)
				(112,0)	5,1
				(0,9)	(7,0)
				636,9	226,5
223,1	138,9	–	0,5	9 175,6	7 893,2
223,1	138,9	–	–	9 175,6	7 892,7
–	–	–	0,5	–	0,5
				30,7	22,6
				24,6	24,4
				151,7	257,1
				9 382,6	8 197,3
11,9	29,5	5,8	9,0	769,5	1 272,8
11,9	29,5	–	–	763,7	1 263,8
–	–	5,8	9,0	5,8	9,0
				260,5	260,5
				5 181,2	4 295,0
				296,6	295,7
				60,9	37,9
				6 568,7	6 161,9
0,5	0,4	–	–	816,4	2 206,5
2,0	2,1	–	1,3	491,7	395,9
2,0	2,1	–	–	491,7	394,6
–	–	–	1,3	–	1,3
(2,8)	27,2	(0,1)	9,4	400,9	(289,7)
–	–	–	–	(18,1)	316,9
–	–	3,6	(7,7)	(1,9)	(22,4)

37

RELATED PARTIES

37.1 IDENTITY OF RELATED PARTIES

The group has a related party relationship with its subsidiaries (refer directors' report), its associates and with key management personnel, including its directors and executive officers.

37.2 INTRA-GROUP TRANSACTIONS AND BALANCES

Amounts due by subsidiary (refer note 7).

Interest received from subsidiary (refer note 25).

Guarantee fee received from subsidiary (refer note 32.6).

37.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Mr D M Nurek is a non-executive director of certain South African listed companies, some of whose subsidiaries are partners in export partnerships with the group. No new export partnerships have been concluded with these companies since March 1999.

Prior to the appointment of Mr H R van der Merwe as a director, a company in a family trust structure established by him issued 11% redeemable preference shares to a bank, which shares were subsequently acquired by a subsidiary company at a cost of R2,6 million. R1,3 million has been received by way of a partial redemption. The balance of R1,3 million is included in trade and other receivables. Mr H R van der Merwe has provided a put option in favour of the subsidiary company should the redeemable preference shares not be redeemed. The shares are redeemable on 31 days notice at the instance of the company.

Certain non-executive directors are also directors of other companies which have transactions with the group. The relevant directors do not believe they have the capacity to control or significantly influence the financial or operating policies of those companies. Those companies are therefore not considered to be director-related entities.

For directors' interests in share capital refer to the corporate governance section of the annual report.

The key management personnel compensations included in staff costs are as follows:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
SHORT-TERM EMPLOYEE BENEFITS	21,1	16,1	0,8	0,5
RETIREMENT BENEFIT CONTRIBUTIONS	0,5	0,4	–	–
EQUITY COMPENSATION BENEFITS	0,7	0,4	–	–
	22,3	16,9	0,8	0,5
PAID TO				
DIRECTORS	11,0	8,9	0,8	0,5
EXECUTIVE OFFICERS	11,3	8,0	–	–
	22,3	16,9	0,8	0,5

38 ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discussed with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates. Certain critical judgements in applying the group's accounting policies are described below:

38.1 LONG-TERM RECEIVABLES

38.1.1 DISCOUNT RATE

38.1.1.1 US DOLLAR CASH STREAMS

The discount rate that is applied to reduce the future long-term dollar receivable stream to its net present value is determined by the Board from time to time and reflects the applicable risk free rate (being the US Treasury Bill rate for the appropriate term) plus an industry specific risk premium. In determining the amount of the specific risk premium to be applied, the Board takes cognisance of the then prevailing market conditions.

38.1.1.2 RAND CASH STREAMS

The discount rate that is applied to reduce the future stream of rand amounts attributable to the company's export partners in respect of the long-term receivables to its net present value is determined by the Board from time to time and reflects the applicable risk free rate (being the Bond Exchange of South Africa yield curve for the appropriate term) adjusted for an appropriate risk premium.

38.1.2 IMPAIRMENT

In calculating the amount of the adjustment to the value of the net investment in long-term receivables that arose from the sale of marine cargo containers, mainly through export partnerships, Tencor management considers both the collectibility and the timing of the receipt of future instalments.

Forecasts of anticipated cash collections assist management in determining the necessity for and the amount of any valuation adjustment that may be required. These forecasts are based on estimates and judgements by management of, inter alia, the following variables for the remaining economic lives of the containers:

- New container prices
- Estimated economic life of containers
- Resale prices of containers
- Container lease rates
- Container fleet utilisations
- Prevailing interest rates
- Past payment history

Tencor is able to draw on the considerable industry knowledge and experience of Textainer's management in testing the validity and appropriateness of these assumptions.

38.2 RESIDUAL VALUES

38.2.1 MARINE CARGO CONTAINERS

Marine cargo containers are depreciated over their estimated useful lives to their estimated residual values. The estimated useful life of new containers that are purchased for the leasing fleet is twelve years, based on historical data gathered over a number years. The estimated residual values vary according to the type of container and are determined with reference to expected proceeds on disposal.

38.2.2 KEGS

Kegs are depreciated over their estimated useful lives to their estimated residual values. The estimated useful life of kegs is 15 years. The estimated residual values vary according to the type of keg and are based on actual residual values realised on disposal and independent valuations.

*Notes to the
financial
statements*

38.3 DEFERRED TAX ASSETS

A net deferred tax asset of approximately R192,1 million (2004: R151,8 million) has not been recognised with regards to TrenStar Inc and TrenStar SA (Pty) Ltd because these companies are not currently generating taxable income. This is dependent on market conditions and other variables not known at this time.

38.4 GOODWILL

The goodwill of R27,9 million (2004: R17,2 million) represents amounts arising on the acquisition of the interest in TrenStar Inc (refer note 3). The impairment of the carrying value of goodwill was assessed and management believes that an impairment adjustment is not required on the basis of the long-term profitability of the underlying contracts and an independent valuation of the business.

39 EXPLANATION OF CHANGES TO COMPARATIVES GROUP

39.1 TRANSITION TO IFRS

These are the group's first consolidated annual financial statements prepared in accordance with IFRS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements for the year ended 31 December 2004 and in the preparation of an opening IFRS balance sheet at 1 January 2004 (the group's date of transition).

In preparing its opening IFRS balance sheet, the group has adjusted amounts previously reported in financial statements prepared in accordance with SA GAAP. An explanation of how the transition from SA GAAP to IFRS has affected the group's financial position and financial performance is set out in the following tables and the notes thereto. There was no change to cash flows.

39.1.1 EQUITY COMPENSATION BENEFITS

IFRS 2 *Share-based Payment* requires the recognition of an income statement expense in respect of equity instruments granted to participants of the group's share incentive plans. No income statement effect was recognised in terms of SA GAAP, except for administration costs incurred in respect of the plans.

39.1.2 GOODWILL AMORTISATION AND IMPAIRMENT

Goodwill in respect of business combinations was amortised under SA GAAP and subject to an impairment review. Goodwill is not amortised under IFRS but subject to at least an annual impairment review. Goodwill amortised under SA GAAP during the 2004 financial year has been reversed in terms of IFRS 1.

39.1.3 DISCONTINUED OPERATIONS

The amounts relating to the discontinued operations have been reclassified and shown separately in the income statement.

39.2 OTHER CHANGES

39.2.1 DERIVATIVE FINANCIAL INSTRUMENTS IN TEXTAINER

Textainer has determined that under the stricter application of IAS 39, it may not use hedge accounting for certain interest rate swaps taken out to hedge economic risk, notwithstanding that the swaps were economically effective. It is therefore required to account on the basis that the net result of the marked-to-market valuation of these instruments is recognised in profit and loss. In the past, these adjustments have been charged or credited directly to equity in accordance with the principles of hedge accounting. The net result of this non-cash change is an increase in Textainer's 2004 earnings of R37,0 million or US\$5,8 million, with a corresponding reduction in the derivative reserve previously recorded in equity. The effect on Trencor was to increase undiluted headline earnings per share in 2004 by 17,7 cents from 60,6 cents to 78,3 cents.

39.2.2 LOANS AND INVESTMENTS

Loans which were previously treated as part of the group's investment in its property interests, have now been reclassified as long-term loans.

Notes to the
financial
statements

	SA GAAP RM	CHANGE IN ACCOUNTING TREATMENT OF DERIVATIVES IN TEXTAINER (NOTE 39.2.1) RM	RECLASSIFI- CATION OF LOANS (NOTE 39.2.2) RM	EFFECT OF TRANSITION TO IFRS: EQUITY COMPEN- SATION (NOTE 39.1.1) RM	IFRS RM	
BALANCE SHEETS						
RESTATEMENT AT 1 JANUARY 2004						
ASSETS						
GOODWILL	21,2	-	-	-	21,2	
OTHER INVESTMENTS	36,2	-	(16,1)	-	20,1	
LONG-TERM LOANS	27,7	-	16,1	-	43,8	
EQUITY						
ISSUED CAPITAL	0,8	-	-	-	0,8	
SHARE PREMIUM	167,9	-	-	-	167,9	
NON-DISTRIBUTABLE RESERVES	43,9	39,2	-	1,4	84,5	
RETAINED INCOME	1 293,6	(40,9)	-	(1,4)	1 251,3	
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1 506,2	(1,7)	-	-	1 504,5	
MINORITY INTEREST	522,1	-	-	-	522,1	
TOTAL EQUITY	2 028,3	(1,7)	-	-	2 026,6	
LIABILITIES						
DERIVATIVE FINANCIAL INSTRUMENTS	87,0	-	-	-	87,0	
DEFERRED TAXATION	276,8	1,7	-	-	278,5	
RESTATEMENT AT 31 DECEMBER 2004						
ASSETS						
GOODWILL	15,7	-	-	-	1,5	17,2
OTHER INVESTMENTS	38,4	-	(16,1)	-	-	22,3
LONG-TERM LOANS	8,3	-	16,1	-	-	24,4
EQUITY						
ISSUED CAPITAL	0,8	-	-	-	-	0,8
SHARE PREMIUM	170,0	-	-	-	-	170,0
NON-DISTRIBUTABLE RESERVES	(34,5)	13,1	-	3,1	-	(18,3)
RETAINED INCOME	1 345,0	(13,7)	-	(3,1)	1,5	1 329,7
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1 481,3	(0,6)	-	-	1,5	1 482,2
MINORITY INTEREST	553,2	-	-	-	-	553,2
TOTAL EQUITY	2 034,5	(0,6)	-	-	1,5	2 035,4
LIABILITIES						
DERIVATIVE FINANCIAL INSTRUMENTS	25,4	-	-	-	-	25,4
DEFERRED TAXATION	295,1	0,6	-	-	-	295,7

EXPLANATION OF CHANGES TO COMPARATIVES (continued)

	SA GAAP RM	CHANGE IN ACCOUNTING TREATMENT OF DERIVATIVES IN TEXTAINER (NOTE 39.2.1) RM	EFFECT OF TRANSITION TO IFRS			IFRS RM
			EQUITY COMPEN- SATION (NOTE 39.1.1) RM	GOODWILL NO LONGER AMORTISED (NOTE 39.1.2) RM	DIS- CONTINUED OPERATIONS (NOTE 39.1.3) RM	
RECONCILIATION OF PROFIT FOR THE YEAR ENDED 31 DECEMBER 2004						
REVENUE	1 119,9	-	-	-	(43,1)	1 076,8
OTHER OPERATING INCOME	68,5	-	-	-	(9,4)	59,1
CHANGES IN INVENTORIES	(19,6)	-	-	-	20,2	0,6
RAW MATERIALS USED AND CONTAINERS PURCHASED FOR RESALE	(99,8)	-	-	-	15,4	(84,4)
DIRECT LEASING EXPENSES	(175,4)	-	-	-	-	(175,4)
STAFF COSTS	(204,0)	-	(2,9)	-	8,5	(198,4)
DEPRECIATION	(392,1)	-	-	-	1,3	(390,8)
OTHER OPERATING EXPENSES	(156,3)	(5,7)	-	1,5	(0,1)	(160,6)
NET LONG-TERM RECEIVABLE VALUATION ADJUSTMENT	316,9	-	-	-	-	316,9
OPERATING PROFIT BEFORE INTEREST	458,1	(5,7)	(2,9)	1,5	(7,2)	443,8
NET INTEREST EXPENSE	(249,1)	63,0	-	-	0,4	(185,7)
INTEREST EXPENSE	(258,5)	63,0	-	-	0,4	(195,1)
INTEREST INCOME	9,4	-	-	-	-	9,4
EXCEPTIONAL ITEMS	(38,8)	-	-	(0,9)	-	(39,7)
SHARE OF PROFIT OF ASSOCIATE	2,3	-	-	0,9	-	3,2
PROFIT BEFORE TAX	172,5	57,3	(2,9)	1,5	(6,8)	221,6
INCOME TAX (EXPENSE)/CREDIT	(1,9)	-	-	-	7,0	5,1
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	170,6	57,3	(2,9)	1,5	0,2	226,7
DISCONTINUED OPERATIONS						
LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	-	-	-	(0,2)	(0,2)
PROFIT FOR THE YEAR	170,6	57,3	(2,9)	1,5	-	226,5
ATTRIBUTABLE TO:						
EQUITY HOLDERS OF THE PARENT	59,1	27,2	(1,7)	1,5	-	86,1
MINORITY INTEREST	111,5	30,1	(1,2)	-	-	140,4
PROFIT FOR THE YEAR	170,6	57,3	(2,9)	1,5	-	226,5
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)						
ENTITY AS A WHOLE	38,4	17,7	(1,1)	1,0	-	56,0
CONTINUING OPERATIONS	38,5	17,7	(1,1)	1,0	-	56,1
DISCONTINUED OPERATIONS	(0,1)	-	-	-	-	(0,1)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)						
ENTITY AS A WHOLE	37,7	17,3	(1,1)	1,0	-	54,9
CONTINUING OPERATIONS	37,8	17,3	(1,1)	1,0	-	55,0
DISCONTINUED OPERATIONS	(0,1)	-	-	-	-	(0,1)

COMPANY

39.3 EQUITY COMPENSATION BENEFITS

IFRS 2 requires the recognition of an income statement expense in respect of equity instruments granted to participants of the company's share option plan. The expense has been recognised in a subsidiary company's income statement. The effect in the company was to increase the investment in the subsidiary by R0,4 million with a corresponding increase in equity.

TRENCOR LIMITED AND SUBSIDIARIES
ADDITIONAL INFORMATION US\$

UNAUDITED BALANCE SHEET AT 31 DECEMBER 2005

As virtually all of the group's revenue and assets and much of its expenditure are denominated in currencies other than rand (principally US\$ and UK£), Trencor's balance sheet and income statement (unaudited) are also presented in US dollars.

	2005 US\$M	2004 RESTATED US\$M
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	1 000,8	997,5
INTANGIBLE ASSETS	2,6	2,6
GOODWILL	4,4	3,1
OTHER INVESTMENTS	8,8	6,9
LONG-TERM LOANS	–	1,5
LONG-TERM RECEIVABLES	196,6	222,9
NET INVESTMENT IN FINANCE LEASES	28,6	3,4
DERIVATIVE FINANCIAL INSTRUMENTS	4,6	–
DEFERRED TAXATION	24,0	45,8
TOTAL NON-CURRENT ASSETS	1 270,4	1 283,7
INVENTORIES	4,7	1,7
TRADE AND OTHER RECEIVABLES	99,3	97,4
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH OF US\$34,0 MILLION AND US\$27,9 MILLION IN 2005 AND 2004, RESPECTIVELY	112,5	78,4
TOTAL CURRENT ASSETS	216,5	177,5
TOTAL ASSETS	1 486,9	1 461,2
EQUITY		
ISSUED CAPITAL AND PREMIUM	26,4	25,0
RESERVES	289,0	239,3
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	315,4	264,3
MINORITY INTEREST	130,6	98,7
TOTAL EQUITY	446,0	363,0
LIABILITIES		
CONVERTIBLE DEBENTURES	41,3	46,4
INTEREST-BEARING BORROWINGS	738,7	703,7
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	41,0	61,9
DERIVATIVE FINANCIAL INSTRUMENTS	0,4	4,5
DEFERRED TAXATION	47,0	52,6
TOTAL NON-CURRENT LIABILITIES	868,4	869,1
TRADE AND OTHER PAYABLES	76,9	155,6
PROVISIONS	9,3	7,5
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	80,2	61,9
DEFERRED INCOME	4,0	4,1
SHORT-TERM BORROWINGS	2,1	–
CURRENT LIABILITIES	172,5	229,1
TOTAL LIABILITIES	1 040,9	1 098,2
TOTAL EQUITY AND LIABILITIES	1 486,9	1 461,2
LIQUIDITY		
RATIO TO AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	205,1%	256,9%
INTEREST-BEARING LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	168,5%	187,0%

TRENCOR LIMITED AND SUBSIDIARIES
ADDITIONAL INFORMATION US\$

65
 50.75

*Additional
 information
 Tencor income
 statement US\$*

UNAUDITED INCOME STATEMENT FOR THE YEAR
 ENDED 31 DECEMBER 2005

	2005 US\$M	2004 RESTATED US\$M
REVENUE	305,6	243,1
CONTINUING OPERATIONS		
TRADING PROFIT BEFORE ITEMS LISTED BELOW:	117,9	85,7
EXCHANGE GAINS/(LOSSES) ARISING ON TRANSLATION	12,0	(12,0)
NET LONG-TERM RECEIVABLE VALUATION ADJUSTMENT	9,0	25,0
CHANGE IN DISCOUNT RATE RELATING TO AMOUNT ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	-	(6,0)
REALISED AND UNREALISED GAINS/(LOSSES) ON DERIVATIVE INSTRUMENTS	4,5	(0,9)
IMPAIRMENT OF PLANT AND EQUIPMENT	(0,5)	-
IMPAIRMENT OF GOODWILL	-	(0,8)
PROFIT FROM OPERATING ACTIVITIES	142,9	91,0
NET INTEREST EXPENSE	(42,6)	(29,2)
INTEREST EXPENSE	(47,5)	(30,7)
INTEREST INCOME	4,9	1,5
EXCEPTIONAL ITEMS	(0,7)	(4,9)
SHARE OF PROFIT OF ASSOCIATE	-	0,5
PROFIT BEFORE TAX	99,6	57,4
INCOME TAX EXPENSE	(12,7)	(4,9)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	86,9	52,5
PROFIT FROM DISCONTINUED OPERATIONS	0,9	-
PROFIT FOR THE YEAR	87,8	52,5
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	55,7	30,3
MINORITY INTEREST	32,1	22,2
PROFIT FOR THE YEAR	87,8	52,5
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)		
	155,0	153,8
BASIC EARNINGS PER SHARE (US CENTS)		
ENTITY AS A WHOLE	35,9	19,7
CONTINUING OPERATIONS	35,3	19,7
DISCONTINUED OPERATIONS	0,6	-
DILUTED EARNINGS PER SHARE (US CENTS)		
ENTITY AS A WHOLE	30,8	19,7
CONTINUING OPERATIONS	30,3	19,7
DISCONTINUED OPERATIONS	0,5	-
UNDILUTED HEADLINE EARNINGS PER SHARE (US CENTS)		
	33,1	21,9
DILUTED HEADLINE EARNINGS PER SHARE (US CENTS)		
	28,4	21,9
UNDILUTED ADJUSTED HEADLINE EARNINGS PER SHARE (US CENTS)		
	36,1	23,8
YEAR-END RATE OF EXCHANGE: SA RAND TO US DOLLAR	6,31	5,61
AVERAGE RATE OF EXCHANGE FOR THE YEAR: SA RAND TO US DOLLAR	6,33	6,36

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
ADDITIONAL INFORMATION US\$

BALANCE SHEET AT 31 DECEMBER 2005

*Additional
information
Textainer
balance sheet
US\$*

To supplement the information provided in the annual financial statements, a balance sheet and income statement extracted from the audited annual financial statements of Textainer (prepared in terms of US GAAP), is presented.

	2005 US\$M	2004 RESTATE US\$M
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH OF US\$9,9 MILLION AND US\$6,7 MILLION IN 2005 AND 2004, RESPECTIVELY	55,6	38,7
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL DEBTS OF US\$2,2 MILLION AND US\$4,3 MILLION IN 2005 AND 2004, RESPECTIVELY	42,2	46,2
NET INVESTMENT IN DIRECT FINANCE LEASES	4,4	2,3
CONTAINERS HELD FOR RESALE	4,3	0,8
PREPAID EXPENSES	2,0	1,3
DUE FROM AFFILIATES, NET	0,1	0,4
	108,6	89,7
NON-CURRENT ASSETS		
CONTAINERS, NET	722,6	748,6
NET INVESTMENT IN DIRECT FINANCE LEASES	28,6	3,4
INVESTMENTS IN AFFILIATES	–	0,4
FIXED ASSETS, NET	1,7	2,2
ASSETS UNDER DERIVATIVE INSTRUMENTS	4,6	–
OTHER ASSETS	4,3	2,1
TOTAL ASSETS	870,4	846,4
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	28,5	26,1
CONTAINER CONTRACTS PAYABLE	2,6	73,4
DAMAGE PROTECTION PLAN RESERVE	8,2	6,3
DUE TO OWNERS, NET	6,0	11,7
BONDS PAYABLE	58,0	30,0
TOTAL CURRENT LIABILITIES	103,3	147,5
NON-CURRENT LIABILITIES		
SECURED DEBT FACILITY	–	296,0
BONDS PAYABLE	488,2	177,5
LIABILITIES UNDER DERIVATIVE INSTRUMENTS	–	4,1
DEFERRED INCOME TAXES, NET	9,2	8,9
TOTAL LIABILITIES	600,7	634,0
MINORITY INTEREST	63,8	42,1
STOCKHOLDERS' EQUITY	205,9	170,3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	870,4	846,4

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES
ADDITIONAL INFORMATION US\$

67
 50.75

*Additional
 information
 Textainer
 income
 statement US\$*

**INCOME STATEMENT FOR THE YEAR
 ENDED 31 DECEMBER 2005**

	2005 US\$M	2004 RESTATED US\$M
REVENUES		
LEASE RENTAL INCOME	188,9	147,2
MANAGEMENT FEES	15,5	17,9
TRADING CONTAINER SALES PROCEEDS	16,0	8,4
GAIN ON SALES OF ASSETS, NET	10,5	4,3
OTHER, NET	3,5	2,5
	234,4	180,3
OPERATING EXPENSES		
DIRECT CONTAINER EXPENSE	26,2	18,7
COST OF TRADING CONTAINERS SOLD	12,9	6,2
DEPRECIATION EXPENSE	60,9	48,3
GENERAL AND ADMINISTRATIVE EXPENSE	21,8	22,2
	121,8	95,4
TOTAL OPERATING EXPENSES	121,8	95,4
INCOME FROM OPERATIONS	112,6	84,9
OTHER (EXPENSE)/INCOME	(24,5)	(14,2)
INTEREST EXPENSE	(27,5)	(13,5)
INTEREST INCOME	1,1	0,4
REALISED LOSSES ON DERIVATIVE INSTRUMENTS	(4,2)	(9,9)
UNREALISED GAINS ON DERIVATIVE INSTRUMENTS	8,7	9,0
OTHER, NET	(2,6)	(0,2)
MINORITY INTEREST IN NET INCOME OF SUBSIDIARY	(21,6)	(14,5)
INCOME BEFORE INCOME TAX EXPENSE	66,5	56,2
INCOME TAX EXPENSE	(4,7)	(4,0)
NET INCOME	61,8	52,2

CORPORATE INFORMATION

Corporate
informationAnalysis of
share and
debenture
holders**COMPANY REGISTRATION**

TRENCOR LIMITED
INCORPORATED IN THE REPUBLIC OF SOUTH
AFRICA ON 28 SEPTEMBER 1955
REGISTRATION NUMBER 1955/002869/06

YEAR LISTED

1955

REGISTERED OFFICE AND POSTAL ADDRESS

1313 MAIN TOWER STANDARD BANK CENTRE
HEERENGRACHT CAPE TOWN 8001
TEL 021 421 7310 FAX 021 419 3692
INTERNATIONAL +27 21

SECRETARY

TRENCOR SERVICES (PTY) LTD

INTERNET ADDRESS

<http://www.trencor.net>

E-MAIL

info@trencor.net
investorrelations@trencor.net

TRANSFER SECRETARIES

COMPUTERSHARE INVESTOR SERVICES 2004
(PTY) LTD
70 MARSHALL STREET
JOHANNESBURG 2001
P O BOX 61051 MARSHALLTOWN 2107
TEL 011 370 5000 FAX 011 688 7721
CALL CENTRE 0861 100950 (WITHIN RSA) OR
+27 11 370 5000 (OUTSIDE RSA)
<http://www.computershare.com>

SOUTH AFRICAN COMMERCIAL BANK

FIRSTSTRAND BANK LTD

AUDITORS

KPMG INC

ATTORNEYS

SONNENBERG HOFFMANN GALOMBIK

SPONSORS

RAND MERCHANT BANK (A DIVISION OF
FIRSTSTRAND BANK LTD)

INDUSTRY CLASSIFICATION BENCHMARK (ICB)

INDUSTRY: INDUSTRIAL
SUPERSECTOR: INDUSTRIAL GOODS & SERVICES
SECTOR: INDUSTRIAL TRANSPORTATION
SUBSECTOR: TRANSPORTATION SERVICES

MARKET NAME

TRENCOR

JSE SHARE CODES

ORDINARY SHARES: TRE

ISIN: ZAE000007506

6% CONVERTIBLE DEBENTURES: TED2

ISIN: ZAE000007282

ANALYSIS OF SHARE AND DEBENTURE HOLDERS

AT 31 DECEMBER 2005

	ORDINARY SHARES				6% CONVERTIBLE DEBENTURES			
	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES	% INTEREST	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF DEBENTURES	% INTEREST
MOBILE INDUSTRIES	1	0,1	72 964 978	46,9	1	0,4	13 730 780	48,0
BANKS AND INSURANCE COMPANIES	41	3,0	19 649 993	12,7	5	1,7	6 036 228	21,0
INDIVIDUALS	786	58,9	3 763 407	2,5	145	48,8	925 557	3,2
INVESTMENT COMPANIES	12	1,7	1 478 514	1,1	2	0,7	113 900	0,4
MUTUAL FUNDS	112	8,3	38 871 049	25,1	33	11,1	4 343 015	15,1
NOMINEE COMPANIES OR TRUSTS	220	16,4	2 896 339	1,2	69	23,2	814 530	2,9
OTHER CORPORATE BODIES	77	5,6	1 808 613	1,3	23	7,7	1 215 332	4,3
RETIREMENT FUNDS	82	6,0	14 204 431	9,2	19	6,4	1 447 458	5,1
TOTAL	1 331	100,0	155 637 324	100,0	297	100,0	28 626 800	100,0
SHAREHOLDER SPREAD								
PUBLIC SHAREHOLDERS	1 326	99,6	82 385 738	52,9	295	99,4	9 178 978	32,1
NON-PUBLIC SHAREHOLDERS	5	0,4	73 251 586	47,1	2	0,6	19 447 822	67,9
DIRECTORS AND ASSOCIATES	4	0,3	286 608	0,2	-	-	-	-
PERSONS INTERESTED, DIRECTLY OR INDIRECTLY, IN 10% OR MORE	-	-	-	-	1	0,3	5 717 042	19,9
MOBILE INDUSTRIES	1	0,1	72 964 978	46,9	1	0,3	13 730 780	48,0
TOTAL	1 331	100,0	155 637 324	100,0	297	100,0	28 626 800	100,0

MAJOR SHARE AND DEBENTURE HOLDERS

The direct and indirect beneficial interests of shareholders and holders of 6% convertible debentures who, in so far as is known, held 5% or more of the issued securities at 31 December 2005 were as follows:

	SHARES			6% CONVERTIBLE DEBENTURES	
	DIRECT ORDINARY %	INDIRECT THROUGH MOBILE ORDINARY %	'N' ORDINARY %	DIRECT %	INDIRECT THROUGH MOBILE %
OLD MUTUAL GROUP	14,6		9,9	21,1	14,5
NEDCOR	7,9				
CORONATION GROUP		7,0			
	22,5	7,0	9,9	21,1	14,5
MOBILE INDUSTRIES	46,9			48,0	
TOTAL	69,4			69,1	

DIRECTORATE: BRIEF RÉSUMÉS

*Directorate:
Brief résumés
Diary*

EXECUTIVE

NEIL IAN JOWELL (72)

B Com LLB (UCT) MBA (Columbia) is chairman of the board and of the executive committee. He is the elder son of Trenchor's founder, Joe Jowell, and joined the company on 1 January 1956. He was appointed to the board on 30 December 1966 and, following the death of his father in 1973, as chairman. He is also a member of the remuneration committee. In 1987 he was voted Cape Times Business Man of the Year and in 1991 as one of Business Times' Top Five Businessmen.

JAMES (JIMMY) ERNEST MCQUEEN (61)

B Com (UCT) CA (SA) is in charge of finance. He was appointed as an alternate director on 18 April 1984 and as a full director on 15 May 1996. He is a member of the executive committee. Prior to joining Trenchor on 10 June 1976, he was an accountant in public practice.

HENDRIK (HENNIE) ROUX VAN DER MERWE (58)

BA Law LLB (Stellenbosch) LLM (Tax) (Wits) is managing director. He joined Trenchor on 1 July 1997 and was appointed to the board on 20 May 1998 and as managing director on 4 April 2003. He previously practised as an attorney at law followed by various senior executive positions in the banking sector and was a deputy chairman of Waco International Ltd before transferring to Trenchor. He is a member of the executive committee.

NON-EXECUTIVE

CECIL JOWELL (70)

B Com LLB (UCT), the younger son of the company's founder, joined Trenchor on 1 November 1958 and was appointed as an executive director on 2 October 1962. He assumed a part-time executive role from 15 March 2002 and a non-executive role from 23 December 2003. He serves on the executive committee in an advisory capacity and is a member of the nomination committee. In 1991 he was voted as one of Business Times' Top Five Businessmen.

INDEPENDENT NON-EXECUTIVE

HAROLD AUBREY GORVY (78)

B Com (UCT) CA (SA) FCA has been a non-executive director of the company since 18 April 1984. He is an executive director of Stonehage Group, an international financial services group and was previously chairman of Andersens in South Africa. He relocated to the UK in 1987. He is a member of the audit and nomination committees and serves as an executive and non-executive director on the boards of several unlisted companies.

JAMES (JIM) EDWARD HOELTER (66)

B Bus Admin (Wisconsin) MBA (Harvard) was appointed as a non-executive director on 2 December 2002. He was President and CEO of Textainer Group Holdings Ltd in the USA until his retirement in December 1998. He joined Textainer in 1987 and currently serves as a non-executive director on the boards and committees of various unlisted companies in the USA. He is non-executive chairman of TrenStar Inc, chairman of the audit committees of Textainer and TrenStar and a member of Trenchor's audit committee.

DAVID MORRIS NUREK (55)

Dip Law (UCT) Grad Dip Company Law (UCT) is an executive of Investec Bank Ltd. He was appointed as an alternate director of Trenchor on 30 November 1992 and as a full director on 24 July 1995. Prior to joining Investec in June 2000, he practised as an attorney at law with Sonnenberg Hoffmann Galombik for 32 years. He is the lead non-executive director and is chairman of the remuneration and nomination committees and a member of the audit committee and serves on the boards of numerous listed and unlisted companies in a non-executive capacity.

EDWIN (EDDY) OBLOWITZ (48)

B Com (UCT) CA (SA) CPA (Isr) was appointed as a non-executive director and as chairman of the audit committee on 3 March 2004. He was previously an international partner of Andersens in South Africa before becoming an independent financial and business consultant. He serves on the boards of various listed and unlisted companies in a non-executive capacity and as a trustee of various trusts.

AGES AT 31 DECEMBER 2005

Diary

17 MAY 2006

ANNUAL GENERAL MEETING

31 DECEMBER

FINANCIAL YEAR-END

ANNOUNCEMENTS

AUGUST

INTERIM REPORT

FEBRUARY/MARCH

REVIEWED ANNUAL RESULTS

MARCH/APRIL

ANNUAL FINANCIAL STATEMENTS

DIVIDENDS

APRIL AND OCTOBER

DIVIDEND PAID

6% CONVERTIBLE DEBENTURES

JUNE AND DECEMBER

INTEREST PAID

*Notice to
shareholders*

Notice is hereby given that the fiftieth annual general meeting of shareholders of Trencor Limited ('the company') will be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Wednesday 17 May 2006 at 15:00 for the following purposes:

1. To consider and adopt the annual financial statements of the company and the Trencor group for the year ended 31 December 2005.
2. To consider, and if deemed fit, to re-elect, on an individual basis, Messrs H A Gorvy, J E Hoelter and C Jowell who retire by rotation as directors in terms of the articles of association but, being eligible, offer themselves for re-election. (Brief résumés of the directors are presented on page 69 of the annual report.)
3. To place the 8 741 709 unissued authorised ordinary shares of the company, reserved for The Trencor Share Option Plan ('the Plan'), under the control of the directors and to specifically authorise the directors to issue such shares, if required, in accordance with the Plan until the next annual general meeting, subject to the provisions of the Companies Act, No 61 of 1973 (as amended) (the 'Act'), the articles of association and the Listings Requirements of the JSE Limited ('JSE').
4. To confirm, in terms of the articles of association of the company, the directors' remuneration paid for the year ended 31 December 2005, as set out on page 11 of the annual report.
5. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:
"Resolved that the company hereby approves, as a general approval contemplated in sections 85 and 89 of the Companies Act, No 61 of 1973 (as amended) ('the Act'), the acquisition by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Act and the Listings Requirements of the JSE Limited ('JSE') as presently constituted and which may be amended from time to time, and provided that:
 - 5.1 any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
 - 5.2 this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;
 - 5.3 a paid press announcement containing full details of the acquisitions will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of that class in issue at the time of granting of this general authority, and each time the company acquires a further 3% of such shares thereafter;
 - 5.4 acquisitions by the company and its subsidiaries of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (or 10% where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of that class from the date of the grant of this general authority;

- 5.5 in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;
- 5.6 after such acquisitions by the company or its subsidiaries, the company will still comply with the Listings Requirements of the JSE concerning shareholder spread requirements;
- 5.7 the company or its subsidiaries are not acquiring shares during a prohibited period as defined in the Listings Requirements of the JSE; and
- 5.8 the company only appoints one agent to effect any acquisition/s on its behalf."

REASON AND EFFECT

The reason for this special resolution is to grant the company a general authority in terms of the Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not exceed beyond fifteen months from the date of this annual general meeting. The effect of the passing and registration of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares issued by the company.

**STATEMENT BY THE BOARD OF DIRECTORS
OF THE COMPANY**

Pursuant to and in terms of the Listings Requirements of the JSE, the board of directors of the company hereby states that:

- (a) the intention of the directors of the company is to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;
- (b) in determining the method by which the company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:
 - the company and the group will, after the acquisition of the shares, be able to pay their debts as they become due in the ordinary course of business for the next twelve months after the date of this notice of the annual general meeting;
 - the consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will, after the acquisition, be in excess of the consolidated liabilities of the company and the group for the next twelve

- months after the date of this notice of the annual general meeting;
- the issued share capital and reserves of the company and the group will, after the acquisition, be adequate for ordinary business purposes of the company or any acquiring subsidiary for the next twelve months after the date of this notice of the annual general meeting;
 - the working capital available to the company and the group will, after the acquisition, be sufficient for ordinary business requirements for the next twelve months after the date of this notice of the annual general meeting; and
 - a working capital statement will be obtained from the company's sponsors as and when any acquisition of its shares is contemplated.
6. To transact such other business as may be transacted at an annual general meeting.

OTHER DISCLOSURES IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS

The annual report to which this notice of this annual general meeting is attached provides details of:

- the directors, management and secretary of the company on page 3 and 68 respectively;
- the major shareholders of the company on page 68;
- the directors' interests in securities in the company on page 12; and
- the share capital of the company in note 17 on page 38, and an analysis of the shareholders on page 68.

There are no material changes to the group's financial or trading position (other than as disclosed in the accompanying annual report), nor are there any legal or arbitration proceedings, including proceedings that are pending or threatened, that may materially affect the financial position of the group between 24 March 2005 and the reporting date.

The directors, whose names are given on page 3 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contains all information required by law and the JSE Listings Requirements.

GENERAL INSTRUCTIONS AND INFORMATION

All shareholders are encouraged to attend, speak and vote at the annual general meeting. On a show of hands, every shareholder of the company present in person or represented shall have one vote only. On a poll, every shareholder shall have one vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Security Depository Participant ('CSDP') to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy

and returning it to the office of the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, STRATE Limited ('STRATE'), held through a CSDP or broker and are not registered as an 'own name' dematerialised shareholder you are not a registered shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

By order of the board



TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN 29 MARCH 2006



TRENCOR LIMITED ANNUAL GENERAL MEETING 17 MAY 2006

FORM OF PROXY

(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
('the company')
Ordinary shares (Share code: TRE ISIN: ZAE000007506)

For use at the annual general meeting of shareholders of the company to be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Wednesday, 17 May 2006 at 15:00.

Not to be used by beneficial owners of shares who have dematerialised their shares ('dematerialised shares') through a Central Securities Depository Participant ('CSDP') or broker, as the case may be, unless they are recorded on the sub-register as 'own name' dematerialised shareholders ('own name dematerialised shareholders').

Only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that member at the annual general meeting.

Refer to notes on reverse side hereof.

TO BE RETURNED TO: THE TRANSFER SECRETARIES TRENCOR LIMITED
COMPUTERSHARE INVESTOR SERVICES (PTY) LIMITED
70 MARSHALL STREET JOHANNESBURG 2001
PO BOX 61051 MARSHALLTOWN 2107

AS SOON AS POSSIBLE TO BE RECEIVED NOT LATER THAN 24 HOURS BEFORE THE MEETING.

I/WE (FULL NAMES)

OF (ADDRESS)

TELEPHONE: WORK ()

TELEPHONE: HOME ()

BEING A MEMBER(S) OF THE COMPANY, HOLDING

ORDINARY SHARES IN THE COMPANY

HEREBY APPOINT (REFER NOTE 1)

OR FAILING HIM / HER

OR FAILING HIM / HER

or failing him/her the chairperson of the annual general meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned annual general meeting of shareholders of the company and at any adjournment thereof in accordance with the following instructions:
Insert an 'X' in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of votes in respect of which you desire to vote (one vote per ordinary share) (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

Table with 3 columns: FOR, AGAINST, ABSTAIN and 5 rows of voting instructions.

1. Approval of the adoption of annual financial statements.

2. Re-election of directors:

H A GORVY

J E HOELTER

C JOWELL

3. Placing the 8 741 709 unissued shares of the company reserved for The Trencor Share Option Plan ('the Plan') under the control of the directors and granting them authority to issue such shares in terms of the Plan.

4. Confirmation of directors' remuneration for 2005 as set out in the annual financial statements.

5. Proposed special resolution granting a general authority to the company or its subsidiaries to acquire the issued shares of the company upon such terms and conditions and in such amounts as the directors may from time to time determine.

SIGNED AT

ON THIS

DAY OF

2006

SIGNATURE

ASSISTED BY (WHERE APPLICABLE) SIGNATURE

NAME OF SIGNATORY:

NAME OF ASSISTANT:

CAPACITY:

CAPACITY:

(AUTHORITY OF SIGNATORY TO BE ATTACHED IF APPLICABLE - SEE NOTE 6)

NOTES:

1. A certificated or own name dematerialised shareholder or nominee of a CSDP or broker registered as a shareholder in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting 'the chairperson of the annual general meeting', but any such deletion must be initialled by the shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy.
2. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.
3. Proxy forms must be lodged with the company's transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 or posted to Computershare Investor Services 2004 (Pty) Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy must be received or lodged by no later than 24 hours before the annual general meeting (i.e. 15:00 on Tuesday, 16 May 2006).
4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairperson of the annual general meeting. CSDPs or brokers registered as shareholders in the company's sub-register voting on instructions from owners of shares registered in the company's sub-sub-register, are requested that they identify the owner in the sub-sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but may not be accepted by the chairperson.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
9. Certificated shareholders which are a company or body corporate may by resolution of their directors, or other governing body, in terms of section 188 of the Companies Act, No 61 of 1973 (as amended), authorise any person to act as their representative.
10. The chairperson of the annual general meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.
12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised shareholder, then you are not a shareholder of the company, but appear as the holder of a beneficial interest on the relevant sub-register of the company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
 - if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
 - if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries to be received not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).