TRENCOR

*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 returnable packaging units together with the related management and technology; and * finance related activities.*

TRENCOR LIMITED
ANNUAL REPORT

2006

CONTENTS

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

Brief résumés of the directors are presented on page 69.

Audit committee

E OBLOWITZ Chairman
H A GORVY
J E HOELTER
D M NUREK

Executive committee

N I JOWELL Chairman
C JOWELL
J E McQUEEN
H R VAN DER MERWE

Remuneration committee

D M NUREK Chairman
N I JOWELL

Nomination committee

D M NUREK Chairman
H A GORVY
C JOWELL

Chief executives

TEXTAINER: J A MACCARONE USA	President and Chief Executive Officer
TRENSTAR INC: E R FLAHERTY USA	President and Chief Executive Officer
TRENSTAR SA: T A P DU PLESSIS	Chief Executive Officer

Highlights

		2006	2005[1]	2004[1]
TRADING PROFIT AFTER NET INTEREST EXPENSE	RM	**493**	**499**	**354**
	US$M	74	78	54
PROFIT BEFORE TAXATION	RM	**590**	**734**	**216**
	US$M	73	98	56
HEADLINE EARNINGS	RM	**364**	**396**	**114**
	US$M	43	50	32
HEADLINE EARNINGS PER SHARE	SA CENTS	**233**	**255**	**74**
	US CENTS	28	32	21
2 ADJUSTED HEADLINE EARNINGS PER SHARE	SA CENTS	**254**	**275**	**86**
	US CENTS	31	35	23
DIVIDENDS PER SHARE	SA CENTS	**57**	**40**	**12**
NET ASSET VALUE PER SHARE	SA CENTS	**1 488**	**1 265**	**956**
	US CENTS	214	201	171
3 GEARING				
WITH TEXTAINER AND BLI CONSOLIDATED	%	**174**	**170**	**187**
4 WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	%	13	14	17

1 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 Trencor.

Group chart

MOBILE INDUSTRIES

46% TRENCOR

CONTAINERS

72% TEXTAINER
The Textainer group owns, leases and manages dry freight marine containers worldwide

100% TRENCOR SERVICES
Corporate administration and financing

100% TRENCOR CONTAINERS
Collection of long-term receivables

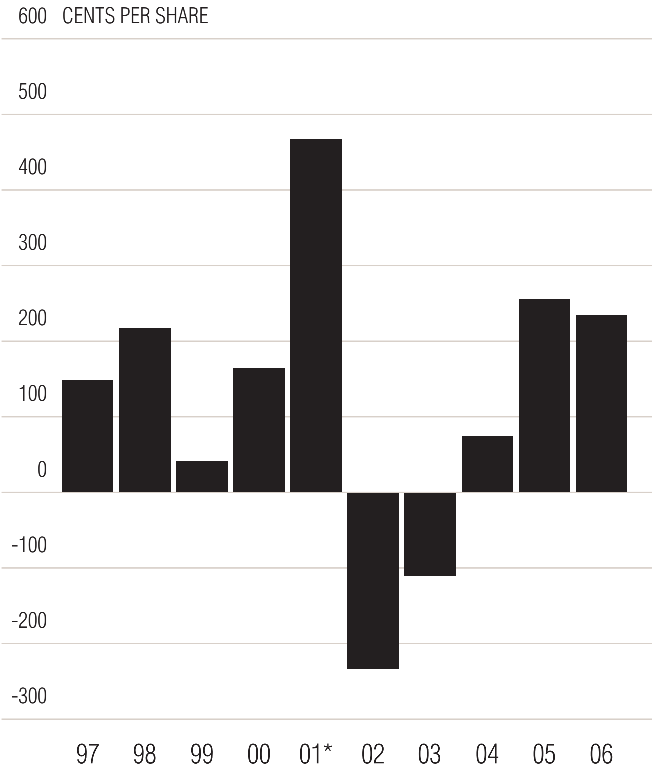
44% TAC
Owning of marine containers

MOBILE ASSET MANAGEMENT SERVICES

100% TRENSTAR SA
58% TRENSTAR
The TrenStar group provides and manages returnable packaging units and other mobile assets applying TrenStar's tracking technology and software systems

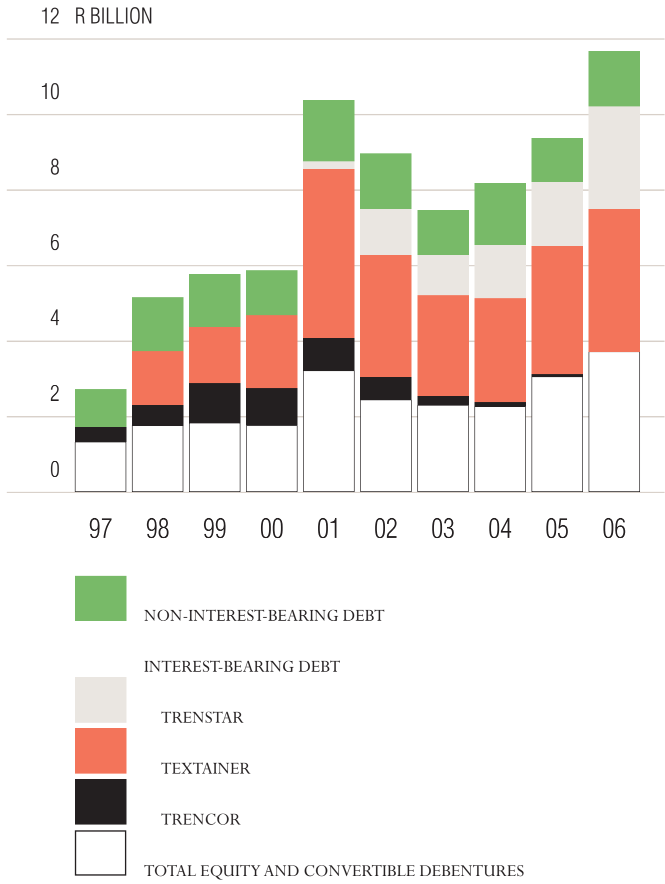
Graphs

HEADLINE EARNINGS PER SHARE (UNDILUTED)



* 18 MONTHS. UP UNTIL 2000,
THE REPORTING PERIODS WERE TO 30 JUNE,
THEREAFTER TO 31 DECEMBER.

FUNDING OF TOTAL ASSETS



Ten year review

	06 RM	05[1] RM	04[1] RM	03 RM	02 RM	01[2] RM	00 RM	99 RM	98 RM	97 RM
OPERATING RESULTS										
REVENUE	**2 246**	2 100	1 120	732	589	4 436	1 780	1 464	1 550	1 415
PROFIT/(LOSS) BEFORE TAX	**590**	734	216	(101)	(455)	1 150	(144)	23	483	316
HEADLINE EARNINGS/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	**364**	396	114	(166)	(352)	711	248	65	335	224
BALANCE SHEET SUMMARY										
SHAREHOLDERS' EQUITY	**2 358**	1 968	1 473	1 506	1 733	2 324	1 313	1 418	1 370	1 105
MINORITY INTEREST	**1 079**	833	560	522	460	635	186	148	139	26
TOTAL EQUITY	**3 437**	2 801	2 033	2 028	2 193	2 959	1 499	1 566	1 509	1 131
CONVERTIBLE DEBENTURES	**261**	261	261	261	261	261	261	261	261	261
INTEREST-BEARING DEBT	**6 427**	5 181	4 295	3 981	5 026	5 566	2 978	2 606	1 984	339
FUNDING OF TOTAL NET ASSETS	**10 125**	8 243	6 589	6 270	7 480	8 786	4 738	4 433	3 754	1 731
PROPERTY, PLANT AND EQUIPMENT	**7 982**	6 315	5 596	4 789	5 653	6 113	2 684	2 364	2 018	232
OTHER NON-CURRENT ASSETS	**2 322**	1 702	1 605	1 842	2 270	3 177	2 376	2 291	2 242	1 846
CURRENT ASSETS	**1 285**	1 366	996	850	1 044	1 116	848	1 111	918	628
TOTAL ASSETS	**11 589**	9 383	8 197	7 481	8 967	10 406	5 908	5 766	5 178	2 706
NON-INTEREST-BEARING LIABILITIES	**1 464**	1 140	1 608	1 211	1 487	1 620	1 170	1 333	1 424	975
TOTAL NET ASSETS	**10 125**	8 243	6 589	6 270	7 480	8 786	4 738	4 433	3 754	1 731
STATISTICS										
NUMBER OF ISSUED SHARES (MILLION)	**158**	156	154	154	153	153	153	153	153	151
EQUITY BOOK VALUE PER SHARE (CENTS)	**1 488**	1 265	956	980	1 132	1 521	859	928	896	731
HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS) – UNDILUTED	**233**	255	74	(108)	(230)	465	162	43	220	149
DIVIDENDS PER SHARE (CENTS)	**57**	40	12	–	–	–	–	28	48	43
DIVIDEND COVER BASED ON HEADLINE EARNINGS (TIMES)	**4,1**	6,4	6,2	–	–	–	–	1,5	4,6	3,5
LIQUIDITY (%)										
RATIO TO AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES										
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**213**	207	257	227	265	223	236	216	193	94
INTEREST-BEARING DEBT EXCLUDING CONVERTIBLE DEBENTURES	**174**	170	187	174	205	173	169	143	112	24
CURRENT RATIO (TIMES)	**0,9**	1,1	0,8	0,9	0,9	0,9	1,0	1,3	1,3	1,6
PROFITABILITY (%)										
TAXED PROFIT/(LOSS) TO TOTAL EQUITY	**16**	26	11	(3)	(12)	24	19	5	26	22
TAXED PROFIT BEFORE INTEREST TO TOTAL ASSETS	**8**	10	5	2	–	10	9	5	11	11
TAXED PROFIT BEFORE INTEREST TO TOTAL NET ASSETS	**9**	12	6	3	–	12	11	7	15	17
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS TO SHAREHOLDERS' EQUITY	**17**	23	8	(10)	(17)	26	18	5	27	22
NUMBER OF EMPLOYEES	**542**	528	408	702	687	591	1 263	2 676	2 542	5 126

1. Comparative information has been restated for the effects of adopting IFRS. 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

The results for the year to December 2006 are satisfactory following the substantial increase in the previous year and, are again, a reflection of another outstanding performance by Textainer, our container leasing operation which has its administrative headquarters in San Francisco.

The group's trading profit after net finance costs at R493 million is virtually the same as last year's record as was also the case in US dollar terms at US$74 million. Adjusted headline earnings per share were 253,5 cents (2005: 274,5 cents) which, consistent with prior years, includes net gains and losses arising on the disposal of containers from Textainer's leasing fleet. In US dollar terms, these were 30,8 US cents per share (2005: 35,1 US cents per share).

The good operating performance and ongoing collection of long-term receivables generated a strong cash flow and the board declared a final dividend of 37 cents per share to make the total for the year 57 cents (40 cents last year). This is in line with our policy guidelines that annual dividends should be covered about three times by sustainable headline earnings, excluding the effect of unrealised foreign exchange gains and losses. This dividend exceeds the threshold of 54,6 cents for the debentures to automatically convert into ordinary shares, which will now occur on 25 May 2007. Following this dividend, Mobile declared a final dividend which will similarly trigger the conversion of its debentures.

The current dividend policy guidelines and consequent elimination of the debentures follows the appointment of an investment bank to review the structure of the Trencor/Mobile group as well as consider opportunities to enhance value for shareholders.

The Mobile board, as part of the above process, decided to simplify its capital structure by effectively consolidating its two classes of shares into one. Resolutions to give effect to this proposal were passed at general meetings of Mobile and took effect on 12 March 2007. The result of these structural changes will be a simplification of the group's structure and a reduction in the investor entry points into Trencor from five to two.

Investigations into value enhancement initiatives at the operational level indicate that an appropriate opportunity may be the listing of Textainer on an international stock exchange. This is being explored further and shareholders will be advised of developments.

We have again published a summary of our results as well as an unaudited income statement and balance sheet 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.

TRADING

TEXTAINER Trading conditions in the container leasing industry for the year as a whole were very good despite a weak first quarter, during which fleet utilisation declined to 88,6% from 90,3% in December 2005 and the price of new twenty-foot containers declined to US$1 400. From mid-March however, the market strengthened and average utilisation was 91,1% for the year as a whole compared to 91,9% for 2005 and largely compensated for the slow first quarter.

We purchased the management contracts for the 317 000 TEU (twenty-foot equivalent unit) Gateway fleet effective 1 July 2006. This increased our total fleet under management to 1 528 000 TEU – Textainer now manages by far the largest lessor fleet in the industry.

Textainer's owned fleet is 528 000 TEU and 67,3% (last year 70,1%) are currently on long-term lease. This has a meaningful reduction in the volatility of the company's financial performance.

The strong and efficient operations of Textainer were again manifest in the Gateway acquisition. The total fleet was taken over and integrated within a matter of weeks without adding additional employees – a compliment to the dedication and work ethic of our people.

The very good return on equity despite reduced gearing is a further reflection on our business model and excellent management.

TRENSTAR During the year under review, results for the TrenStar companies were mixed. TrenStar SA, operating in South Africa and 100% owned by Trencor, performed well and increased its contribution to group profits from R3,5 million in 2005 to R9,8 million.

In TrenStar Inc, the US-based entity in which Trencor holds 58%, certain businesses in the US continue to show promise and Jettainer, our joint venture business with Lufthansa in which TrenStar has a one-third interest, did well.

However, TrenStar Inc's UK beer keg businesses disappointed, with higher beer keg losses due to increased nationwide theft, disputes with two of its larger UK customers regarding responsibility for the resultant keg replacements and declining draught beer sales by these two brewers making the contracts with them uneconomic. When these customers indicated after the year-end that they were not prepared to sufficiently improve the terms of the contracts to overcome the negative impact of the above factors, the special purpose TrenStar subsidiary that contracted with one of these customers was placed into administration to ensure an orderly exit, and the contract thereafter terminated. Discussions with the second customer are ongoing, but it is possible that this contract will also end. With these contracts falling away, TrenStar's goal of pooling kegs for multiple brewers in the UK and Europe cannot be achieved, and it is possible that it will exit the beer keg business in these countries in the current year. We are optimistic that this will be achieved on such a basis that the price paid by the brewers for the repurchase of their keg fleets will largely cover the outstanding debt against those fleets.

The above developments made it impossible for TrenStar Inc to raise meaningful new capital, which it requires to de-gear its balance sheet, improve profitability and fund growth in its US businesses. Once a firm basis for withdrawing from the UK/European beer keg activities is established, strategic alternatives for TrenStar will be pursued.

FUNDING

Group borrowings remain mostly asset based – US$541 million (R3,8 billion) in Textainer and US$391 million (R2,7 billion) in TrenStar Inc. Against this, 98% of the group's assets are in foreign currency (mainly US dollars and UK pounds). The liabilities of Textainer and TrenStar are restricted to those operations.

The good trading conditions also improved cash collection from our long-term receivables and resulted in a reduction of R60 million in the net provision against these receivables.

PROSPECTS

The strong market conditions in the container leasing industry of the last two quarters of 2006 have continued and current indications are that the group should deliver a satisfactory increase in earnings in 2007.

*

I express my appreciation to our committed and dedicated employees, both locally and internationally, for their outstanding work. I also thank my colleagues on the board for their guidance and judgement.

N I JOWELL 30 MARCH 2007

Review of operations

TEXTAINER

WWW.TEXTAINER.COM

Textainer Group Holdings Ltd, our 72,3% offshore subsidiary, is primarily engaged in owning and leasing standard and special dry freight marine cargo containers to global transportation companies. 2006 produced the second best performance in Textainer's 27 year history, with profit after tax of US$54,2 million (2005: US$59,3 million).

Average fleet utilisation for the year was 91,1% (2005: 91,9%) with actual utilisation on 23 March 2007 at 90,9%.

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 Trencor 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. Including finance leases, the total fleet under Textainer's management at 31 December 2006 numbered 1 528 000 TEU (twenty-foot equivalent unit) of which some 63,6% (2005: 69,1%) were finance leases or on long-term lease. Textainer itself owned 528 000 TEU of which 67,3% (2005: 70,1%) were finance leases or on long-term lease. The average age of Textainer's owned fleet and of the whole fleet is 6,7 years.

Effective 1 July 2006, Textainer and Gateway Management Services Ltd entered into an agreement whereby Textainer purchased certain container management rights for a total consideration of US$19 million, thereby increasing the total fleet under management by 317 000 TEU. The purchase price will be amortised over the term of the container management agreements.

New equipment purchases during the year amounted to 94 900 TEU with virtually all of them going into long-term leases and finance lease contracts. At the end of 2006, the company had unutilised borrowing facilities of approximately US$288 million at its disposal. The ratio of interest-bearing debt to total equity was 181% (2005: 203%) 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. During the year 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

	2006	2005 RESTATED	CHANGE
FINANCIAL (US$ MILLION)			
TOTAL REVENUE	**216,4**	220,4	(1,8%)
PROFIT BEFORE TAX	**78,0**	84,7	(7,9%)
NET PROFIT	**54,2**	59,3	(8,6%)
PROFIT ATTRIBUTABLE TO TRENCOR	**39,3**	43,4	(9,4%)
OPERATIONAL			
AVERAGE FLEET UTILISATION	**91,1%**	91,9%	(0,8%)
FLEET UNDER MANAGEMENT (TEU '000s) (INCLUDING FINANCE LEASES)	**1 528**	1 183	+345
OWNED	**528**	494	+34
MANAGED	**1 000**	689	+311
LONG-TERM LEASE FLEET	**937**	790	+147
SHORT-TERM LEASE FLEET	**556**	365	+191
FINANCE LEASES	**35**	28	+7

TRENSTAR SA

WWW.TRENSTAR.CO.ZA

The business model of TrenStar SA (Pty) Ltd, owned 100% by Trencor, is to provide customers in South Africa with returnable packaging units, and, where appropriate, to manage these for the customer to improve control and visibility of these assets and their contents. In certain instances the customer owns the units, with TrenStar SA providing the track and trace equipment, software and related management services, creating greater efficiencies as these units move through the supply chain. In South Africa mobile assets include a range of cargo and intermediate bulk containers, metal cages, plastic bins, pallets and Alpal units. We also offer barcode and radio frequency identification (RFID) tracking technology, business analysis and information management, and advise larger customers on the design and sourcing of mobile assets. Recently the business model has expanded to provide packaging management services inside the customer's own plant.

During the year under review, TrenStar SA made good progress in further establishing its business as a reliable supplier, mainly in the automotive and retail industries. As understanding of the benefits to the customer of this business model increases, we expect this growth trend to continue.

Revenue grew to R72 million (2005: R57 million), with profit before interest and tax improving to R9,8 million (2005: R3,5 million). The company has no outside borrowings.

TRENSTAR INC

WWW.TRENSTAR.COM

TrenStar Inc, our 58% held subsidiary headquartered in Denver, Colorado, and its operating companies (collectively 'TrenStar') has a business model similar to that of TrenStar SA described above. Its major operations are in the USA and the UK and it has a 33% holding in Jettainer, a joint venture company with Lufthansa Air Cargo based in Frankfurt, Germany, which provides and manages air cargo containers.

Revenue for the year grew to US$65,6 million (2005: US$56,0 million), with the net loss, including some US$4,0 million in restructuring costs and losses sustained in an operation since discontinued and impairment of kegs of US$8,8 million, at US$20,0 million (2005: loss US$9,9 million).

In the US good progress was made in TrenStar's beer keg and synthetic rubber contracts, which performed better than budget. Jettainer also performed well. TrenStar management improved cost control and management disciplines in general.

However, developments over the last year in the UK beer keg business were disappointing. Higher beer keg losses due to increased theft in an environment of high prices for scrap metal, coupled with declining draught beer sales (on which TrenStar's revenue is based) on the part of two of TrenStar's larger UK brewer customers made the contracts between these two customers and the TrenStar subsidiaries concerned uneconomic. Contractual disputes with these customers regarding responsibility for keg replacements have exacerbated the situation. At the year-end, TrenStar was hopeful that these disputes could be resolved on a basis that would enable the continuation of the contracts, but subsequent to the year-end, this turned out not to be viable. In February 2007 the TrenStar subsidiary that contracted with one of these customers was placed into administration to ensure an orderly dissolution of the relationship with this customer and, during March 2007, the contract with the customer was terminated. It is likely that the contract with the other customer will similarly end. With the cessation of these contracts, TrenStar's goal of pooling and managing kegs for multiple brewers in the UK is no longer viable and, as a result, it may exit the beer keg business in the UK and Europe. TrenStar believes that it should be able to do so on the basis that the brewers involved will repurchase the keg fleets at values that will cover the related outstanding debt, although part of existing security deposits may have to be forfeited and it is possible that some termination fees and closure costs will have to be incurred.

The above developments hampered TrenStar's efforts to raise significant new equity to de-gear its balance sheet and improve profitability. Once the basis for exiting the beer keg business in the UK is firm, the strategic alternatives for the future of the rest of TrenStar will be explored further.

At 31 December 2006 TrenStar's total interest-bearing debt amounted to US$391,4 million, of which US$263,6 million or 67% was ring-fenced in special purpose subsidiary companies. TrenStar's debt is in turn ring-fenced with no recourse to Trencor.

LONG-TERM RECEIVABLES

The aggregate of outstanding long-term receivables at 31 December 2006 amounted to US$332 million (2005: US$380 million). The discount rate applied in the valuation of the US$-denominated long-term receivables is unchanged from 2005 at 8,5% per annum and the net present value of these receivables, before any fair value adjustments, totalled R2,1 billion (2005: R2,1 billion). An exchange rate of US$1 = R6,98 was used to translate dollar amounts into rand at 31 December 2006 (2005: US$1 = R6,31). In compliance with the requirements of International Financial Reporting Standards, the resulting translation gain, amounting to R205 million at net present value (2005: gain of R272 million) has been included in profit before tax.

The decrease in the value of the rand resulted in a loss of R69 million (2005: loss of R85 million) on translation of the dollar-denominated fair value adjustment against the receivables. Furthermore, given 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, management considered a further reduction in the dollar amount of the net fair value adjustment to be appropriate. This reduction, translated into rand, had a positive effect on pre-tax profit amounting to R60 million (2005: R67 million) in the year under review. At 31 December 2006, the net present value of long-term receivables after fair value adjustments amounted to R1,4 billion (2005: R1,5 billion).

The discount rate applied to reduce the rand amounts attributable to third parties to their net present values is unchanged from 2005 at 10% per annum.

TAC

The TAC group, in which Trencor has a 44% shareholding, owned 224 000 TEU of dry freight containers of various types and 2 450 stainless steel tank containers at 31 December 2006, 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. Market conditions, which we noted in last year's annual report had softened in the fourth quarter of 2005, improved from March 2006 and average utilisation across the whole fleet remained at 91% for the year. New container prices were fairly volatile during the year while the resale prices for used containers have continued to hold up well. During the year, TAC purchased 13 630 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

The sale of the group's 31% interest in a property development in Midrand known as Midrand Town Centre, was finalised during the year. The sale realised cash of R19,7 million for Trencor and a profit of R2,7 million.

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

FINANCE

The principal financial ratios at 31 December 2006 and the comparative figures for 2005 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.

	2006	2005 RESTATED
RATIO TO THE AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES:		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES		
WITH TEXTAINER AND BLI CONSOLIDATED	**213%**	207%
WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	**35%**	44%
INTEREST-BEARING DEBT EXCLUDING CONVERTIBLE DEBENTURES		
WITH TEXTAINER AND BLI CONSOLIDATED	**174%**	170%
WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	**13%**	14%
CURRENT RATIO (TIMES)		
WITH TEXTAINER AND BLI CONSOLIDATED	**0,9**	1,1
WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	**1,7**	1,7

There is no interest-bearing debt at the centre. The ratio of interest-bearing debt to total shareholders' equity in Textainer declined from 203% at 31 December 2005 to 181% at the end of 2006.

Total capital expenditure during the year amounted to R1 698 million of which R938 million was incurred by Textainer in replacing and expanding its container fleet. TrenStar expended R720 million in replacing and expanding its equipment fleets. These amounts were all funded out of existing funding facilities and, in the case of TrenStar, also from a combination of the proceeds of fresh funds raised from shareholders and facilities established.

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 2006, seven meetings were held and these were attended by all members in person or by telephone/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 2006 and 2005 was as follows:

	GUARANTEED REMUNERATION INCL. ALLOWANCES R'000	CONTRIBUTIONS TO MEDICAL AID R'000	CONTRIBUTIONS TO RETIRE-MENT FUNDS R'000	INCENTIVE BONUSES R'000	EQUITY COM-PENSATION BENEFITS R'000	INSURANCE PREMIUMS R'000	TOTAL REMUNE-RATION R'000
2006							
NON-EXECUTIVE DIRECTORS							
H A GORVY	155	–	–	–	–	–	155
J E HOELTER	939	–	–	–	–	–	939
C JOWELL	598	15	34	318	–	–	965
D M NUREK	155	–	–	–	–	–	155
E OBLOWITZ	195	–	–	–	–	–	195
	2 042	15	34	318	–	–	2 409
EXECUTIVE DIRECTORS							
N I JOWELL	1 508	18	–	794	–	–	2 320
J E McQUEEN	1 815	18	187	258	360	–	2 638
H R VAN DER MERWE	2 136	20	224	318	360	34	3 092
	5 459	56	411	1 370	720	34	8 050
AGGREGATE REMUNERATION 2006	7 501	71	445	1 688	720	34	10 459

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

2005	GUARANTEED REMUNERATION INCL. ALLOWANCES R'000	CONTRIBUTIONS TO MEDICAL AID R'000	CONTRIBUTIONS TO RETIREMENT FUNDS R'000	INCENTIVE BONUSES R'000	EQUITY COMPENSATION BENEFITS R'000	INSURANCE PREMIUMS R'000	TOTAL REMUNERATION R'000
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.

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

	DATE GRANTED	NUMBER OF OPTIONS AT 31/12/2006	OFFER PRICE PER SHARE (R)	EXERCISABLE AS FOLLOWS BETWEEN	EXERCISABLE AS FOLLOWS AND	EXERCISED TO DATE
J E McQUEEN	30/06/01	1 000 000	5,25	11/07/02	30/06/09	1 000 000
	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				1 000 000
H R VAN DER MERWE*	30/06/01	1 600 000	5,25	11/07/02	30/06/09	1 600 000
	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				1 600 000

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

Options granted on 30 June 2001 at the option price of R5,25 per share, have been exercised and the shares sold as follows:

	DATE EXERCISED AND SOLD	NUMBER OF OPTIONS/ SHARES	SALE PRICE PER SHARE (R)
J E McQUEEN	In prior years	300 000	
	21/06/06	200 000	26,50
	04/10/06	200 000	27,01
	08/12/06	300 000	30,00
		1 000 000	
H R VAN DER MERWE	In prior years	630 500	
	15/06/06	169 500	25,25
	04/10/06	400 000	27,01
	08/12/06	400 000	30,00
		1 600 000	

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 2006 and 2005 were as follows:

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

None of the directors held any interest in the 6% convertible debentures in issue in the company (2005: nil).

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

Mr J E Hoelter has an indirect beneficial interest in 1 038 873 shares (2005: 1 038 873 shares) representing 5,4% (2005: 5,5%) in the issued common stock of Textainer Group Holdings Ltd, Trencor's 72,3% (2005: 72,7%) subsidiary.

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, eight formal monthly meetings were held which were attended by all members, save that Mr C Jowell attended seven 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 Trencor 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 Trencor Share Option Plan. Members of the remuneration committee are not eligible for participation under The Trencor 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.

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.

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 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 US 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 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 All of the group's borrowings are denominated in foreign currency, principally US dollars and UK 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 are at variable rates. Furthermore, the company enters into interest-rate cap contracts to guard against unexpected increases in interest rates on portion of 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 accounts on the basis that the net result of the marked-to-market valuation of these instruments is flowed through profit or loss. 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 approximately US$20 million or 11% of Textainer's lease rental income, in each of the years ended 31 December 2006 and 2005. No single lessee accounted for more than 10% of trade receivables in either 2006 or 2005.

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, 67,3% 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 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 fair value 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 and 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$36,7 million of funds in restricted accounts. This funding is separately classified as restricted bank balances in the balance sheet.

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. Similarly, excessive keg losses through theft could be a risk area, particularly where there may be a dispute as to whether TrenStar or the customer concerned is responsible for such losses.

INFORMATION RESOURCES MANAGEMENT

Trencor, like other organisations, is reliant on information technology 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. 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

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; and
   * 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 timeously disclose to the company full details of any transaction for notification to and publication by the JSE Ltd.

STAKEHOLDER COMMUNICATION

Members of the executive committee of the board meet on an ad-hoc basis with institutional investors, investment analysts, 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 2006 the group had 542 employees (2005: 528) of which 326 (2005: 285) were based in South Africa and 216 (2005: 243) 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.

COMMUNITY INVESTMENTS

Financial support is provided to various community and welfare organisations and assistance in the form of bursaries is granted to students without employment obligations.

During the year under review, increased monetary assistance was granted to the Community Chest Western Cape, an organisation which provides assistance to various community and welfare organisations, which the group has supported since 1974. In addition, assistance was provided to ORT-Tech, an organisation which, inter alia, adds value to the work of the Education Department to implement Revised National Curriculum Statements on Technology for its project at the Secondary School in Modderdam, Cape Town. Financial support was also provided to The Red Cross War Memorial Children's Hospital, a highly specialised children's health care facility in the Cape, well known for its excellence in child care and treatment on the African continent.

Declaration by the company secretary

It is hereby certified that for the year ended 31 December 2006, the company has lodged, with the Registrar of Companies, all returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN
30 MARCH 2007

Trencor Limited and subsidiaries Annual financial statements

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Trencor Limited, comprising the balance sheets at 31 December 2006, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the group and company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead, save for those specific TrenStar Inc businesses impacted by the uncertainties as described in note 40.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and annual financial statements of Trencor Limited, as identified in the first paragraph, which have been approved by the board of directors, are attached:

PAGE

Signed on behalf of the board

N I JOWELL CHAIRMAN

E OBLOWITZ DIRECTOR
CAPE TOWN
30 MARCH 2007

Independent auditor's report

TO THE MEMBERS OF TRENCOR LIMITED
REPORT ON THE FINANCIAL STATEMENTS

We have audited the group annual financial statements and the annual financial statements of Trencor Limited, which comprise the balance sheets at 31 December 2006, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 18 to 62.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Trencor Limited at 31 December 2006, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 40 to the financial statements. This note provides an explanation of the circumstances that have made trading contracts between certain TrenStar Inc subsidiaries in the United Kingdom and their brewer customers uneconomic and, consequently, that these contracts may be terminated on the basis that the brewers will repurchase the keg fleets for amounts that will satisfy the related outstanding debt.

The note indicates that should the contracts be terminated on this basis, there is a possibility that the subsidiaries may have to bear some additional costs but, as a decision has still to be made in this regard, no provision for any loss or additional liability that may result is made in these financial statements. The note also indicates that these conditions result in the existence of a material uncertainty which may cast significant doubt on the ability of these subsidiaries in the United Kingdom, and possibly TrenStar Inc, to continue as going concerns.

KPMG INC
REGISTERED AUDITOR

PER G M PICKERING
CHARTERED ACCOUNTANT (SA)
REGISTERED AUDITOR
DIRECTOR
CAPE TOWN
30 MARCH 2007

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 62.

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

	2006 RM	2005 RESTATED RM
CONTAINER OPERATIONS		
CONTAINER FINANCE	**38,3**	21,5
TEXTAINER	**265,8**	270,8
EXCHANGE TRANSLATION GAINS	**96,2**	132,8
NET LONG-TERM RECEIVABLE ADJUSTMENT	**42,3**	47,5
TRENSTAR	**(62,8)**	(37,3)
INTEREST AND OTHER CORPORATE ITEMS	**(26,5)**	(14,9)
DISCONTINUED OPERATIONS	**3,0**	5,3
EXCEPTIONAL ITEMS	**(36,9)**	(2,2)
	319,4	423,5

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 N I Jowell, E Oblowitz and H R van der Merwe 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 2006 and 2005 were as follows:

	2006	2005
BENEFICIAL %	**13,4**	13,6

The direct and indirect interests of each director who held in excess of 1% of the issued securities at 31 December 2006 and 2005 were as follows:

	2006	2005
BENEFICIAL %		
C JOWELL	**6,6**	6,7
N I JOWELL	**6,7**	6,8

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 Trencor 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 CENTS	TOTAL RM
DIVIDENDS					
2005 – INTERIM	79	30/09/05	03/10/05	10,0	15,5
– FINAL	80	07/04/06	10/04/06	30,0	46,8
2006 – INTERIM	81	29/09/06	02/10/06	20,0	31,3
– FINAL	82	05/04/07	10/04/07	37,0	58,6
DEBENTURE INTEREST					
– 6% CONVERTIBLE	29	15/06/06	30/06/06	27,3	7,8
	30	15/12/06	29/12/06	27,3	7,8

CONVERSION OF CONVERTIBLE DEBENTURES

In terms of the trust deed governing the convertible debentures, each debenture will automatically convert into one ordinary share. Such conversion will take place on the last Friday of the fifth month of the financial year following the financial year in respect of which the total dividend declared is equal to or exceeds 54,6 cents per share.

In view of the fact that the total dividend declared in respect of the year ended 31 December 2006 amounted to 57,0 cents per share, each debenture will be converted into one ordinary share on 25 May 2007. A circular containing details with regard to the conversion will be issued to debenture holders in due course.

After conversion of the 28 626 800 debentures, the issued share capital will amount to R935 556 comprising 187 111 117 ordinary shares of 0,5 cent each.

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.

INTEREST IN SIGNIFICANT SUBSIDIARIES

	SHARE CAPITAL AND PREMIUM MILLION	EFFECTIVE INTEREST 2006 %	EFFECTIVE INTEREST 2005 %	SHARES AT COST 2006 RM	SHARES AT COST 2005 RM	AMOUNT OWING TO COMPANY 2006 RM	AMOUNT OWING TO COMPANY 2005 RM
INDIRECT:							
TEXTAINER GROUP HOLDINGS LTD (INCORPORATED IN BERMUDA) OWNING, LEASING AND MANAGING OF CONTAINERS	US$22,8	**72**[1]	73	**–**	–	**–**	–
TRENSTAR INC (INCORPORATED IN DELAWARE, USA) PROVISION OF MOBILE ASSET MANAGEMENT SERVICES	US$74,9	**58**[2]	56	**–**	–	**–**	–
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	**1 015,7**	1 015,0	**182,7**	134,0
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	**0,1**	1,1
				1 075,4	1 074,7	**182,8**	135,1
AGGREGATE OF OTHER SUBSIDIARIES				**1,3**	1,3	**–**	–
				1 076,7	1 076,0	**182,8**	135,1
LESS IMPAIRMENT LOSS				**(9,0)**	–	**–**	–
				1 067,7	1 076,0	**182,8**	135,1

1 Reduced to 72,3% from 72,7% as a result of the exercise of stock options.
2 Pursuant to a capital raising by TrenStar, Trencor's interest increased to 58%.

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

	2006 Rm	2005 RESTATED Rm
PROFITS	**448,3**	468,2
LOSSES	**(118,7)**	(42,5)
	329,6	425,7

SPECIAL RESOLUTION

At the annual general meeting held on 17 May 2006, shareholders passed a special resolution, which was registered on 25 May 2006, 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.

THE TRENCOR SHARE OPTION PLAN

In terms of The Trencor 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.

MAXIMUM SHARES AVAILABLE FOR UTILISATION UNDER THE PLAN AT THE BEGINNING OF THE YEAR	8 866 709
OPTIONS FORFEITED DURING THE YEAR	17 500
MAXIMUM SHARES AVAILABLE FOR THE PLAN IN RESPECT OF WHICH OPTIONS HAVE NOT BEEN GRANTED AT THE END OF THE YEAR	8 884 209

During 2006 options in respect of 2 564 518 ordinary shares of 0,5 cent each (2005: 1 825 232 shares) were exercised at the offer price of R5,25 per share and, accordingly, the issued share capital increased from R778 187 comprising 155 637 324 shares to R792 109 comprising 158 421 842 shares at 31 December 2006.

Subsequent to the year-end, options in respect of 62 475 ordinary shares were exercised at the offer price of R5,25 per share and, accordingly, the issued share capital was increased to R792 422 comprising 158 484 317 shares.

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 2006 is presented on page 68.

Trencor Limited and subsidiaries
Balance sheets at 31 December 2006

	NOTES	GROUP 2006 RM	GROUP 2005 RESTATED RM	COMPANY 2006 RM	COMPANY 2005 RM
ASSETS					
PROPERTY, PLANT AND EQUIPMENT	2	**7 981,5**	6 315,2	**–**	–
GOODWILL	3	**–**	27,9	**–**	–
INTANGIBLE ASSETS	4	**136,2**	16,7	**–**	–
INVESTMENT IN ASSOCIATE	5	**–**	0,3	**–**	–
OTHER INVESTMENTS	6	**114,6**	30,4	**14,1**	10,8
INVESTMENT IN SUBSIDIARIES	7	**–**	–	**1 067,7**	1 076,0
AMOUNTS DUE BY SUBSIDIARY	7	**–**	–	**182,7**	134,0
LONG-TERM LOANS	8	**8,5**	24,6	**–**	–
LONG-TERM RECEIVABLES	9	**1 267,8**	1 240,5	**2,2**	2,8
NET INVESTMENT IN FINANCE LEASES	10	**251,6**	180,4	**–**	–
DERIVATIVE FINANCIAL INSTRUMENTS	11	**29,3**	28,8	**–**	–
DEFERRED TAX ASSETS	12	**104,5**	151,7	**–**	–
RESTRICTED BANK BALANCES	13	**409,8**	214,3	**–**	–
TOTAL NON-CURRENT ASSETS		**10 303,8**	8 230,8	**1 266,7**	1 223,6
INVENTORIES	14	**31,2**	29,6	**–**	–
TRADE AND OTHER RECEIVABLES	15	**619,5**	610,3	**0,1**	1,3
CURRENT TAX ASSET	16	**13,1**	16,1	**0,4**	0,6
ASSETS CLASSIFIED AS HELD FOR SALE	28	**5,0**	–	**–**	–
CASH AND CASH EQUIVALENTS	17	**616,1**	495,8	**0,2**	–
TOTAL CURRENT ASSETS		**1 284,9**	1 151,8	**0,7**	1,9
TOTAL ASSETS		**11 588,7**	9 382,6	**1 267,4**	1 225,5
EQUITY					
ISSUED CAPITAL	18	**0,8**	0,8	**0,8**	0,8
SHARE PREMIUM		**193,0**	178,4	**193,0**	178,4
RESERVES	18	**2 164,0**	1 789,0	**810,0**	782,1
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**2 357,8**	1 968,2	**1 003,8**	961,3
MINORITY INTEREST		**1 078,8**	833,0	**–**	–
TOTAL EQUITY		**3 436,6**	2 801,2	**1 003,8**	961,3
LIABILITIES					
CONVERTIBLE DEBENTURES	19	**260,5**	260,5	**260,5**	260,5
INTEREST-BEARING BORROWINGS	20	**5 806,3**	4 661,5	**–**	–
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT					
OF LONG-TERM RECEIVABLES	9	**263,0**	258,5	**–**	–
SHARE-BASED PAYMENTS	34	**88,2**	64,7	**–**	–
DERIVATIVE FINANCIAL INSTRUMENTS	11	**4,2**	2,6	**–**	–
DEFERRED INCOME		**52,8**	25,4	**–**	–
DEFERRED TAX LIABILITIES	12	**308,3**	296,6	**1,2**	1,3
TOTAL NON-CURRENT LIABILITIES		**6 783,3**	5 569,8	**261,7**	261,8
TRADE AND OTHER PAYABLES	21	**663,1**	424,4	**1,9**	2,4
PROVISIONS	22	**5,9**	6,6	**–**	–
CURRENT TAX LIABILITY	16	**79,2**	60,9	**–**	–
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	20	**620,5**	506,3	**–**	–
SHORT-TERM BORROWINGS	23	**0,1**	13,4	**–**	–
TOTAL CURRENT LIABILITIES		**1 368,8**	1 011,6	**1,9**	2,4
TOTAL LIABILITIES		**8 152,1**	6 581,4	**263,6**	264,2
TOTAL EQUITY AND LIABILITIES		**11 588,7**	9 382,6	**1 267,4**	1 225,5

Trencor Limited and subsidiaries
Income statements for the year ended 31 December 2006

	NOTES	GROUP 2006 RM	GROUP 2005 RESTATED RM	COMPANY 2006 RM	COMPANY 2005 RM
CONTINUING OPERATIONS					
REVENUE	1,36	**2 245,9**	2 099,6	**0,9**	34,1
OTHER OPERATING INCOME		**66,9**	70,6	**121,1**	–
CHANGES IN INVENTORIES		**(87,0)**	(98,4)	**–**	–
DIRECT LEASING EXPENSES		**(303,6)**	(235,8)	**–**	–
STAFF COSTS		**(215,0)**	(193,9)	**–**	–
DEPRECIATION		**(521,5)**	(489,1)	**–**	–
OTHER OPERATING EXPENSES		**(224,0)**	(156,0)	**(14,7)**	(3,4)
NET LONG-TERM RECEIVABLE FAIR VALUE ADJUSTMENT		**(9,5)**	(18,1)	**–**	–
OPERATING PROFIT BEFORE FINANCE COSTS	24	**952,2**	978,9	**107,3**	30,7
NET FINANCE COSTS	25	**(326,0)**	(240,8)	**1,1**	1,1
FINANCE EXPENSES		**(362,9)**	(271,5)	**(15,7)**	(15,6)
FINANCE INCOME		**36,9**	30,7	**16,8**	16,7
EXCEPTIONAL ITEMS	26	**(36,9)**	(4,5)	**–**	0,2
SHARE OF PROFIT OF ASSOCIATE		**0,6**	–	**–**	–
PROFIT BEFORE TAX		**589,9**	733,6	**108,4**	32,0
INCOME TAX EXPENSE	27	**(98,1)**	(112,0)	**(6,4)**	(0,1)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		**491,8**	621,6	**102,0**	31,9
DISCONTINUED OPERATIONS					
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	28	**3,0**	5,3	**–**	–
PROFIT FOR THE YEAR		**494,8**	626,9	**102,0**	31,9
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY		**319,4**	423,5	**102,0**	31,9
MINORITY INTEREST		**175,4**	203,4	**–**	–
PROFIT FOR THE YEAR		**494,8**	626,9	**102,0**	31,9
BASIC EARNINGS PER SHARE (CENTS)	29				
ENTITY AS A WHOLE		**204,1**	273,2		
CONTINUING OPERATIONS		**202,2**	269,8		
DISCONTINUED OPERATIONS		**1,9**	3,4		
DILUTED EARNINGS PER SHARE (CENTS)	29				
ENTITY AS A WHOLE		**176,6**	233,0		
CONTINUING OPERATIONS		**175,0**	230,2		
DISCONTINUED OPERATIONS		**1,6**	2,8		

Trencor Limited
and subsidiaries
Statements of changes in equity
at 31 December 2006

GROUP
BALANCE AT 31 DECEMBER 2004 (AS PREVIOUSLY REPORTED)
RESTATEMENT OF TEXTAINER RESULTS (REFER NOTE 39)
RESTATED BALANCE
CHANGES IN EQUITY FOR 2005
FOREIGN CURRENCY TRANSLATION DIFFERENCES
CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSET
DEFERRED TAX ON ITEMS TAKEN DIRECTLY TO EQUITY
NET INCOME RECOGNISED DIRECTLY IN EQUITY
PROFIT FOR THE YEAR
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR
TRANSFER OF GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES FROM DISTRIBUTABLE RESERVE TO NON-DISTRIBUTABLE RESERVE
DIVIDENDS PAID TO EQUITY HOLDERS
INCREASE IN INVESTMENT IN SUBSIDIARIES
AMOUNT ARISING ON CHANGE IN MINORITY INTEREST
SHARE-BASED PAYMENTS
SHARE OPTIONS EXERCISED
BALANCE AT 31 DECEMBER 2005 (RESTATED)
CHANGES IN EQUITY FOR 2006
FOREIGN CURRENCY TRANSLATION DIFFERENCES
CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSET
NET INCOME RECOGNISED DIRECTLY IN EQUITY
PROFIT FOR THE YEAR
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR
TRANSFER OF LOSS ON DILUTION OF INVESTMENT IN SUBSIDIARIES FROM DISTRIBUTABLE RESERVE TO NON-DISTRIBUTABLE RESERVE
DIVIDENDS PAID TO EQUITY HOLDERS
INCREASE IN INVESTMENT IN SUBSIDIARIES
AMOUNT ARISING ON CHANGE IN MINORITY INTEREST
SHARE-BASED PAYMENTS
SHARE OPTIONS EXERCISED
BALANCE AT 31 DECEMBER 2006

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY									
SHARE CAPITAL	SHARE PREMIUM	FAIR VALUE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	EQUITY COMPENSATION RESERVE	GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES	RETAINED INCOME	TOTAL	MINORITY INTEREST	TOTAL EQUITY
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
0,8	170,0	4,2	(112,2)	3,1	86,6	1 329,7	1 482,2	553,2	2 035,4
–	–	–	–	–	–	(9,5)	(9,5)	7,1	(2,4)
0,8	170,0	4,2	(112,2)	3,1	86,6	1 320,2	1 472,7	560,3	2 033,0
–	–	–	87,5	–	–	–	87,5	64,5	152,0
–	–	9,0	–	–	–	–	9,0	–	9,0
–	–	(0,6)	–	–	–	–	(0,6)	–	(0,6)
–	–	8,4	87,5	–	–	–	95,9	64,5	160,4
–	–	–	–	–	–	423,5	423,5	203,4	626,9
–	–	8,4	87,5	–	–	423,5	519,4	267,9	787,3
–	–	–	–	–	3,6	(3,6)	–	–	–
–	–	–	–	–	–	(34,1)	(34,1)	(46,5)	(80,6)
–	–	–	–	–	–	–	–	42,4	42,4
–	–	–	–	–	–	–	–	8,0	8,0
–	–	–	–	1,8	–	–	1,8	0,9	2,7
–	8,4	–	–	–	–	–	8,4	–	8,4
0,8	178,4	12,6	(24,7)	4,9	90,2	1 706,0	1 968,2	833,0	2 801,2
–	**–**	**–**	**130,5**	**–**	**–**	**–**	**130,5**	**98,9**	**229,4**
–	**–**	**3,2**	**–**	**–**	**–**	**–**	**3,2**	**–**	**3,2**
–	**–**	**3,2**	**130,5**	**–**	**–**	**–**	**133,7**	**98,9**	**232,6**
–	**–**	**–**	**–**	**–**	**–**	**319,4**	**319,4**	**175,4**	**494,8**
–	**–**	**3,2**	**130,5**	**–**	**–**	**319,4**	**453,1**	**274,3**	**727,4**
–	**–**	**–**	**–**	**–**	**(5,1)**	**5,1**	**–**	**–**	**–**
–	**–**	**–**	**–**	**–**	**–**	**(78,1)**	**(78,1)**	**(49,2)**	**(127,3)**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,9**	**9,9**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11,3**	**11,3**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0,5)**	**(0,5)**
–	**14,6**	**–**	**–**	**–**	**–**	**–**	**14,6**	**–**	**14,6**
0,8	**193,0**	**15,8**	**105,8**	**4,9**	**85,1**	**1 952,4**	**2 357,8**	**1 078,8**	**3 436,6**

Statements of changes in equity

	SHARE CAPITAL	SHARE PREMIUM	FAIR VALUE RESERVE	PREFERENCE SHARE AMORTISATION ADJUSTMENT	REVALUATION RESERVE	RETAINED INCOME	TOTAL EQUITY
	RM	RM	RM	RM	RM	RM	RM
COMPANY							
BALANCE AT 31 DECEMBER 2004	0,8	170,0	–	599,7	0,4	178,8	949,7
CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSET	–	–	4,7	–	–	–	4,7
PROFIT FOR THE YEAR	–	–	–	–	–	31,9	31,9
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	–	–	4,7	–	–	31,9	36,6
DIVIDENDS PAID TO EQUITY HOLDERS	–	–	–	–	–	(34,1)	(34,1)
SHARE-BASED PAYMENTS	–	–	–	–	0,7	–	0,7
SHARE OPTIONS EXERCISED	–	8,4	–	–	–	–	8,4
BALANCE AT 31 DECEMBER 2005	0,8	178,4	4,7	599,7	1,1	176,6	961,3
CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSET	**–**	**–**	**3,2**	**–**	**–**	**–**	**3,2**
PROFIT FOR THE YEAR	**–**	**–**	**–**	**–**	**–**	**102,0**	**102,0**
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	**–**	**–**	**3,2**	**–**	**–**	**102,0**	**105,2**
DIVIDENDS PAID TO EQUITY HOLDERS	**–**	**–**	**–**	**–**	**–**	**(78,1)**	**(78,1)**
SHARE-BASED PAYMENTS	**–**	**–**	**–**	**–**	**0,8**	**–**	**0,8**
SHARE OPTIONS EXERCISED	**–**	**14,6**	**–**	**–**	**–**	**–**	**14,6**
BALANCE AT 31 DECEMBER 2006	**0,8**	**193,0**	**7,9**	**599,7**	**1,9**	**200,5**	**1 003,8**

Trencor Limited and subsidiaries
Cash flow statements for the year ended 31 December 2006

	NOTES	GROUP 2006 RM	GROUP 2005 RESTATED RM	COMPANY 2006 RM	COMPANY 2005 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	33	**1 426,7**	1 048,4	**117,0**	(4,0)
FINANCE INCOME RECEIVED		**36,9**	30,7	**16,8**	16,7
DIVIDENDS RECEIVED		**0,9**	–	**–**	34,1
FINANCE EXPENSES PAID		**(358,9)**	(327,6)	**(15,7)**	(15,6)
DIVIDENDS PAID TO MINORITIES		**(49,2)**	(46,5)	**–**	–
DIVIDENDS PAID TO EQUITY HOLDERS OF THE COMPANY		**(78,1)**	(34,1)	**(78,1)**	(34,1)
INCOME TAXES PAID	16	**(44,2)**	(40,0)	**(6,3)**	(1,4)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**934,1**	630,9	**33,7**	(4,3)
CASH FLOWS FROM INVESTING ACTIVITIES					
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT		**(1 364,9)**	(1 264,8)	**–**	–
ACQUISITION OF INTANGIBLE ASSETS		**(128,5)**	(2,9)	**–**	–
(INCREASE)/DECREASE IN UNLISTED INVESTMENTS		**(79,0)**	1,5	**–**	–
PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		**275,7**	231,7	**–**	–
PROCEEDS ON DISPOSAL OF INVESTMENT PROPERTIES		**–**	19,2	**–**	–
PROCEEDS ON DISPOSAL OF INTANGIBLE ASSET		**1,7**	–	**–**	–
PROCEEDS ON DISPOSAL OF UNLISTED INVESTMENT		**3,8**	–	**–**	–
INCREASE IN LOAN TO SUBSIDIARY		**–**	–	**(48,7)**	(4,9)
INCREASE IN FINANCE LEASES		**(50,5)**	(159,4)	**–**	–
REPAYMENT OF LONG-TERM LOANS		**16,9**	0,8	**–**	–
INCREASE IN RESTRICTED BANK BALANCES		**(147,8)**	(38,0)	**–**	–
NET RECEIPTS FROM EXPORT PARTNERSHIPS		**–**	–	**0,6**	0,8
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(1 472,6)**	(1 211,9)	**(48,1)**	(4,1)
CASH FLOWS FROM FINANCING ACTIVITIES					
INTEREST-BEARING BORROWINGS RAISED		**452,7**	494,4	**–**	–
PROCEEDS ON ISSUE OF SHARES		**14,6**	8,4	**14,6**	8,4
RECEIPTS FROM LONG-TERM RECEIVABLES		**317,0**	403,2	**–**	–
PAYMENTS TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES		**(178,7)**	(185,6)	**–**	–
SHARES REPURCHASED BY SUBSIDIARY		**(0,6)**	(10,9)	**–**	–
SHORT-TERM BORROWINGS (REPAID)/RAISED		**(13,3)**	13,4	**–**	–
PROCEEDS ON ISSUE OF SHARES BY A SUBSIDIARY TO MINORITIES		**9,8**	45,0	**–**	–
NET CASH INFLOW FROM FINANCING ACTIVITIES		**601,5**	767,9	**14,6**	8,4
NET INCREASE IN CASH AND CASH EQUIVALENTS		**63,0**	186,9	**0,2**	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**495,8**	282,9	**–**	–
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**57,3**	26,0	**–**	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	**616,1**	495,8	**0,2**	–

1

ACCOUNTING POLICIES

1.1 SIGNIFICANT ACCOUNTING POLICIES

Trencor Limited (the 'company') is a company incorporated in the Republic of South Africa. The consolidated financial statements of the company for the year ended 31 December 2006 comprise the company and its subsidiaries (together referred to as the 'group') and the group's interest in associates. The financial statements were approved by the board of directors on 30 March 2007.

The accounting policies set out below have been applied consistently to all periods presented in these separate and consolidated financial statements, and have been applied consistently by group entities. Where necessary, comparative figures have been reclassified to conform with current year presentation (refer note 39).

1.2 BASIS OF PREPARATION

1.2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

1.2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit and loss are measured at fair value
- available-for-sale financial assets are measured at fair value
- non-current assets and disposal groups held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

1.2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in SA rand, which is the company's functional currency. Except as indicated, all financial information presented has been rounded to the nearest one hundred thousand.

1.2.4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 and any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 38.

1.3 BASIS OF CONSOLIDATION

1.3.1 SUBSIDIARIES

Subsidiaries are entities controlled by the group. Control exists when the group has the power 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 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 profit or loss and the net gain or loss attributable to the group is transferred to a separate reserve in equity.

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

1.3.2 ASSOCIATES

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the group's share of the income and expenses of associates, after adjustment to align the accounting policies with those of the group, 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 carrying amount of that interest (including any long-term investments) is reduced to nil and recognition of further losses is discontinued except to the extent that the group has an obligation or made payments on behalf of an associate.

Gains or losses arising on the dilution of investments in associates are recognised in profit or loss and the net gain or loss attributable to the group is transferred to a separate reserve in equity.

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

1.3.3 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.

1.4 FOREIGN CURRENCY

1.4.1 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign exchange differences arising on translation are recognised in profit or loss. 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.

1.4.2 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. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

1.5 PROPERTY, PLANT AND EQUIPMENT

1.5.1 OWNED ASSETS

Items of property, plant and equipment are measured at cost less accumulated depreciation (see 1.5.4) and accumulated impairment losses (see accounting policy 1.12). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

1.5.2 LEASED ASSETS

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Lease payments are accounted for as described in accounting policy 1.16.2.

1.5.3 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 profit or loss as an expense as incurred.

1.5.4 DEPRECIATION

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate (major components) of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives if ownership of the assets does not pass at the end of the lease term. Land is not depreciated. The estimated useful lives for the current and comparative periods 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 equipment	3 – 10

The depreciation methods, useful lives and residual values are reassessed annually.

1.6 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.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see accounting policy 1.12). 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.

1.7 INTANGIBLE ASSETS

1.7.1 RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss 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 when the group is able to demonstrate its intention and ability to complete the product or process, the product or process is technically and commercially feasible, the group has sufficient resources to complete development and the group can reliably measure the costs to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation (see 1.7.4) and accumulated impairment losses (see accounting policy 1.12).

1.7.2 OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the group are measured at cost less accumulated amortisation (see 1.7.4) and accumulated impairment losses (see accounting policy 1.12). Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred.

1.7.3 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.

1.7.4 AMORTISATION

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are reassessed annually and are as follows:

	Years
Computer software	4
Long-term keg contract	14
Container management contract	12

1.8 FINANCIAL INSTRUMENTS

1.8.1 NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised on the trade date at which the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of ownership of the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly in equity. 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. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the group manages such instruments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

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 profit or loss.

The amounts attributable to third parties in respect of long-term receivables are designated as at fair value through profit or 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.

OTHER

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any accumulated impairment losses. Debt issuance costs are capitalised and amortised over the term of the debt as required by application of the effective interest method.

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

1.8.2 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.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

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.

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 forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity.

When the forecast transaction subsequently results in the recognition of 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 forecast 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 profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

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, then hedge accounting is discontinued and the cumulative unrealised gain or loss recognised in equity is recognised immediately in profit or loss.

ECONOMIC HEDGES

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 profit or loss.

1.8.3 SHARE CAPITAL

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

1.8.4 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.

1.8.5 OFFSETTING

Financial assets and liabilities are offset and the net amount presented in the balance sheet when the group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

1.9 NET INVESTMENT IN 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.

1.10 INVENTORIES

Inventories are measured 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.

1.11 DIVIDENDS

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

1.12 IMPAIRMENT

1.12.1 FINANCIAL ASSETS

At each balance sheet date the group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity.

1.12.2 NON-FINANCIAL ASSETS

The carrying amount of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if 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.

1.13 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

1.14 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.

1.15 REVENUE

1.15.1 GOODS SOLD AND SERVICES RENDERED

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing managerial involvement with the goods. Revenue from services rendered is recognised in profit or loss in proportion to the estimated percentage of completion of the services provided at the balance sheet date. Revenue includes realised and unrealised exchange differences arising from the translation of long-term receivables.

1.15.2 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 earned and recognised evenly over the period that the equipment is on lease 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.

1.15.3 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.

1.15.4 DIVIDEND INCOME

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

1.16 EXPENSES

1.16.1 OPERATING LEASE PAYMENTS

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

1.16.2 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.

1.16.3 NET FINANCE COSTS

Interest paid comprises interest payable on borrowings and the interest expense component of finance lease payments calculated using the effective interest method and amortisation of debt issuance costs. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Fair value gains or losses on interest rate swaps are included in finance expenses.

1.16.4 INCOME TAX EXPENSE

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss 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 estimated 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 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: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates 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, based on the tax rates that have been 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.

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.

1.17 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 as a discontinued operation. Where an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

1.18 EMPLOYEE BENEFITS

1.18.1 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.

1.18.2 POST EMPLOYMENT BENEFITS

Provision for post-employment medical aid subsidies is calculated based on periodic actuarial valuations performed using the projected unit credit method.

1.18.3 RETIREMENT BENEFITS

Certain of the company's subsidiaries contribute to defined contribution retirement funds. Contributions to these funds are recognised in profit or loss as incurred.

1.18.4 SHARE-BASED PAYMENTS

The company and certain of its subsidiaries grant share options to certain employees under share option plans which are either equity- or cash-settled.

EQUITY-SETTLED

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.

CASH-SETTLED

The fair value of the amount payable to employees in respect of the share appreciation rights is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The fair value of each share granted under the plans is estimated on the date of grant using the Black-Scholes option pricing model. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised in staff costs in profit or loss.

1.19 EARNINGS PER SHARE

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible debentures and share options granted to employees.

1.20 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.

1.21 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not yet been applied in preparing these financial statements:

- IFRS 7 *Financial Instruments: Disclosures and the Amendment to IAS 1, Presentation of Financial Statements:* Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the group's 2007 financial statements, will require extensive additional disclosures with respect to the group's financial instruments and capital.
- IFRIC 8 *Scope of IFRS 2 Share-based Payment* addresses the accounting for share-based payment transactions in which some or all of goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the group's 2007 financial statements, with retrospective application required. The group has not yet determined the potential effect of the interpretation.
- IFRIC 10 *Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument classified as available-for-sale or a financial asset (which IAS 39 would usually require to be measured at fair value) measured at cost in terms of IAS 39. IFRIC 10 will become mandatory for the group's 2007 financial statements, and will apply to goodwill, investments in equity instruments classified as available-for-sale, and financial assets measured at cost (as described previously) prospectively from the date that the group first applied the measurement criteria of IAS 36 and IAS 39 respectively (i.e. 1 January 2004). The adoption of IFRIC 10 will not affect the reported results of the group.
- IFRIC 11 IFRS 2 *Group and Treasury Share Transactions* addresses how to apply IFRS 2 *Share-based Payment* to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group (e.g. equity instruments of its parent).

  Share-based payment transactions in which an entity receives services as consideration for its own equity instruments shall be accounted for as equity-settled. This applies regardless of whether the entity chooses or is required to buy its own equity instruments (treasury shares) from another party to satisfy its obligations to its employees under the share-based payment arrangement. IFRIC 11 will become mandatory for the group's 2008 financial statements. The adoption of IFRIC 11 will not affect the reported results of the group.
- IFRS 8 *Operating Segments* requires an entity to adopt the 'management approach' when reporting on the financial performance of its operating segments. Generally, the segment reporting would be based on the information that management uses internally for evaluating segment performance and when deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The IFRS therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet. IFRS 8 will become mandatory for the group's 2009 financial statements. The adoption of IFRS 8 will not affect the group's segmental disclosure.

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PROPERTY, PLANT AND EQUIPMENT

	GROUP						
		LEASING EQUIPMENT					
	LAND AND BUILDINGS RM	MARINE CARGO CONTAINERS RM	KEGS RM	INTERMEDIATE BULK CONTAINERS RM	PLANT AND MACHINERY RM	OTHER EQUIPMENT AND MOTOR VEHICLES RM	TOTAL RM
COST							
2005							
BALANCE AT THE BEGINNING OF THE YEAR	16,5	5 306,4	1 349,6	112,4	21,6	115,8	6 922,3
ADDITIONS	0,1	342,6	321,6	134,9	0,4	16,8	816,4
EFFECT OF MOVEMENTS IN EXCHANGE RATES	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
2006							
ADDITIONS	**0,1**	**807,1**	**718,4**	**13,5**	**23,8**	**7,3**	**1 570,2**
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**2,9**	**696,7**	**462,4**	**16,4**	**1,7**	**16,5**	**1 196,6**
TRANSFER TO ASSETS HELD FOR SALE	**–**	**–**	**–**	**–**	**(23,8)**	**–**	**(23,8)**
DISPOSALS	**(12,4)**	**(194,6)**	**(31,1)**	**(11,0)**	**(0,8)**	**(4,8)**	**(254,7)**
BALANCE AT THE END OF THE YEAR	**7,6**	**7 520,2**	**2 815,3**	**267,4**	**16,2**	**159,0**	**10 785,7**
DEPRECIATION AND IMPAIRMENT LOSSES							
2005							
BALANCE AT THE BEGINNING OF THE YEAR	4,3	1 105,2	108,4	55,3	6,4	46,6	1 326,2
DEPRECIATION	0,4	376,2	78,1	16,4	1,5	16,5	489,1
EFFECT OF MOVEMENTS IN EXCHANGE RATES	0,4	173,7	(2,7)	0,7	0,6	4,6	177,3
IMPAIRMENT LOSSES	–	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
2006							
DEPRECIATION	**0,3**	**362,7**	**126,8**	**21,2**	**1,1**	**9,4**	**521,5**
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**1,3**	**203,9**	**56,3**	**1,8**	**0,8**	**9,3**	**273,4**
IMPAIRMENT LOSSES	**–**	**1,2**	**61,5**	**–**	**18,8**	**–**	**81,5**
TRANSFER TO ASSETS HELD FOR SALE	**–**	**–**	**–**	**–**	**(18,8)**	**–**	**(18,8)**
DISPOSALS	**(1,4)**	**(28,1)**	**–**	**(2,2)**	**(0,7)**	**(3,2)**	**(35,6)**
BALANCE AT THE END OF THE YEAR	**5,3**	**2 190,1**	**427,3**	**90,6**	**8,0**	**82,9**	**2 804,2**
CARRYING AMOUNTS							
AT 1 JANUARY 2005	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
AT 31 DECEMBER 2006	**2,3**	**5 330,1**	**2 388,0**	**176,8**	**8,2**	**76,1**	**7 981,5**
NET BOOK VALUE OF ASSETS ENCUMBERED AS SECURITY FOR INTEREST-BEARING BORROWINGS INCLUDING FINANCE LEASES (REFER NOTE 20)							
AT 31 DECEMBER 2005	9,9	4 559,7	1 482,9	143,4	–	–	6 195,9
AT 31 DECEMBER 2006	**–**	**5 330,1**	**2 388,0**	**139,1**	**0,2**	**61,3**	**7 918,7**

2.1 The group leases equipment under a number of finance lease agreements. The carrying amount of this leased equipment comprised beer kegs as follows:

	COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
2006	**1 566,7**	**268,7**	**1 298,0**
2005	1 096,5	140,9	955,6

2.2 The net book value of buildings situated on leased premises amounts to R2,3 million (2005: R2,0 million).

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

2.4 The impairment of the keg fleet is as a result of losses sustained (refer note 40).

3

GOODWILL

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
COST				
BALANCE AT THE BEGINNING OF THE YEAR	**53,1**	41,9	**–**	–
ADDITIONS	**6,0**	10,7	**–**	–
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**–**	0,5	**–**	–
BALANCE AT THE END OF THE YEAR	**59,1**	53,1	**–**	–
IMPAIRMENT LOSSES				
BALANCE AT THE BEGINNING OF THE YEAR	**25,2**	24,7	**–**	–
IMPAIRMENT LOSS	**33,9**	–	**–**	–
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**–**	0,5	**–**	–
BALANCE AT THE END OF THE YEAR	**59,1**	25,2	**–**	–
CARRYING AMOUNTS				
AT THE END OF THE YEAR	**–**	27,9	**–**	–

3.1 The carrying amount of goodwill at 1 January 2005 was R17,2 million.

3.2 Goodwill was impaired due to the ongoing losses incurred by TrenStar Inc.

4

INTANGIBLE ASSETS

	GROUP					
	INTERNALLY GENERATED	PURCHASED				
	COMPUTER SOFTWARE RM	LICENCE AGREEMENT RM	LONG-TERM KEG CONTRACT RM	CONTAINER MANAGEMENT CONTRACT RM	OTHER RM	TOTAL RM
COST						
2005						
BALANCE AT THE BEGINNING OF THE YEAR	7,3	24,7	10,3	–	0,9	43,2
ADDITIONS	2,9	–	–	–	–	2,9
EFFECT OF MOVEMENTS IN EXCHANGE RATES	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
2006						
ADDITIONS	**–**	**–**	**–**	**128,5**	**–**	**128,5**
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**1,3**	**–**	**1,3**	**4,0**	**–**	**6,6**
DISPOSALS	**(7,1)**	**–**	**–**	**–**	**(0,9)**	**(8,0)**
BALANCE AT THE END OF THE YEAR	**4,9**	**–**	**12,9**	**132,5**	**–**	**150,3**
AMORTISATION AND IMPAIRMENT LOSSES						
2005						
BALANCE AT THE BEGINNING OF THE YEAR	2,1	24,7	0,8	–	0,9	28,5
AMORTISATION FOR THE YEAR	1,8	–	0,8	–	–	2,6
EFFECT OF MOVEMENTS IN EXCHANGE RATES	–	–	0,1	–	–	0,1
DISPOSALS	–	(24,7)	–	–	–	(24,7)
BALANCE AT THE END OF THE YEAR	3,9	–	1,7	–	0,9	6,5
2006						
AMORTISATION FOR THE YEAR	**2,4**	**–**	**0,9**	**6,9**	**–**	**10,2**
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**0,6**	**–**	**0,3**	**0,2**	**–**	**1,1**
DISPOSALS	**(2,8)**	**–**	**–**	**–**	**(0,9)**	**(3,7)**
BALANCE AT THE END OF THE YEAR	**4,1**	**–**	**2,9**	**7,1**	**–**	**14,1**
CARRYING AMOUNTS						
AT 1 JANUARY 2005	5,2	–	9,5	–	–	14,7
AT 31 DECEMBER 2005	6,8	–	9,9	–	–	16,7
AT 31 DECEMBER 2006	**0,8**	**–**	**10,0**	**125,4**	**–**	**136,2**

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 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
UNLISTED INVESTMENT				
50% INTEREST IN TRENCOR AND CORONATION FINANCIAL SERVICES (PTY) LTD	**–**	0,3	**–**	–
DIRECTORS' VALUATION OF INVESTMENT IN ASSOCIATE	**–**	0,3	**–**	–

6

OTHER INVESTMENTS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
EQUITY INSTRUMENTS AVAILABLE-FOR-SALE				
LISTED	**14,1**	10,8	**14,1**	10,8
UNLISTED	**100,5**	19,6	**–**	–
COMPANIES	**31,1**	19,6	**–**	–
ASIAN CURRENCY BASKET NOTE	**69,4**	–	**–**	–
	114,6	30,4	**14,1**	10,8

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

6.2 The Asian currency basket note matures on 29 September 2008. The terms of the loan note guarantees a minimum capital return of 98% of the original cost. Fair value was determined by independent marked-to-market valuation. The fair value of the group's investments in unlisted companies has been estimated using appropriate valuation techniques.

7

INTEREST IN SUBSIDIARIES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
ORDINARY SHARES AT COST	**–**	–	**64,2**	63,5
PREFERENCE SHARES INCLUDING AMORTISATION ADJUSTMENT	**–**	–	**1 012,5**	1 012,5
INVESTMENT IN SUBSIDIARIES BEFORE IMPAIRMENT LOSS	**–**	–	**1 076,7**	1 076,0
LESS IMPAIRMENT LOSS	**–**	–	**9,0**	–
INVESTMENT IN SUBSIDIARIES	**–**	–	**1 067,7**	1 076,0
AMOUNTS DUE BY SUBSIDIARIES	**–**	–	**182,8**	135,1
LONG-TERM	**–**	–	**182,7**	134,0
AMOUNTS DUE INCLUDED IN TRADE AND OTHER RECEIVABLES	**–**	–	**0,1**	1,1
	–	–	**1 250,5**	1 211,1

7.1 3 808 746 (2005: 3 808 746) shares in Textainer representing approximately 20% (2005: 20%) of the issued shares have been pledged as security for loans (refer note 32.5). The group's attributable share of the net asset value of Textainer was R1 159,9 million (2005: R945,1 million).

7.2 Amounts due by subsidiaries are unsecured. R159,2 million (2005: R159,2 million) bears interest at 10,5% p.a. (2005: 10,5% p.a.) and is repayable on conversion of the convertible debentures (refer note 19). The balance of the amounts due have no fixed terms of repayment and are interest-free.

7.3 Income earned from subsidiaries during the year included in profit or loss:

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
INTEREST RECEIVED (REFER NOTE 25)	**–**	–	**16,7**	16,7
DIVIDENDS RECEIVED (REFER NOTE 24)	**–**	–	**–**	34,1
GUARANTEE FEE RECEIVED (REFER NOTE 32.6)	**–**	–	**0,1**	0,1
	–	–	**16,8**	50,9

8

LONG-TERM LOANS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
SECURED 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 2006 THE INTEREST RATE APPLICABLE TO THE LOANS WAS 6,02% P.A. (2005: 6,01% P.A.)	**8,2**	8,2	**–**	–
UNSECURED LOANS ADVANCED TO PROPERTY INVESTMENT COMPANIES WITH NO FIXED TERMS OF REPAYMENT	**0,3**	16,4	**–**	–
	8,5	24,6	**–**	–

9

NET INVESTMENT IN LONG-TERM RECEIVABLES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
NET INVESTMENT IN LONG-TERM RECEIVABLES COMPRISES:				
LONG-TERM RECEIVABLES	**1 267,8**	1 240,5	**2,2**	2,8
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**(263,0)**	(258,5)	**–**	–
	1 004,8	982,0	**2,2**	2,8
REPRESENTED BY:				
TOTAL RECEIVABLES	**2 315,3**	2 397,2	**2,2**	2,8
LESS DEFERRED INCOME	**241,2**	291,6	**–**	–
NET PRESENT VALUE OF LONG-TERM RECEIVABLES	**2 074,1**	2 105,6	**2,2**	2,8
LESS AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**393,2**	556,8	**–**	–
TOTAL AMOUNT	**484,1**	669,4	**–**	–
LESS DEFERRED EXPENDITURE	**90,9**	112,6	**–**	–
NET PRESENT VALUE OF NET INVESTMENT IN LONG-TERM RECEIVABLES	**1 680,9**	1 548,8	**2,2**	2,8
LESS FAIR VALUE ADJUSTMENT TO NET INVESTMENT, RELATING TO:	**543,7**	535,4	**–**	–
LONG-TERM RECEIVABLES	**665,1**	706,9	**–**	–
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**(121,4)**	(171,5)	**–**	–
	1 137,2	1 013,4	**2,2**	2,8
LESS CURRENT PORTION OF NET INVESTMENT INCLUDED IN:	**132,4**	31,4	**–**	–
TRADE AND OTHER RECEIVABLES	**141,2**	158,2	**–**	–
TRADE AND OTHER PAYABLES	**(8,8)**	(126,8)	**–**	–
	1 004,8	982,0	**2,2**	2,8

9.1 Total receivables in base currency amounted to US$331,7 million (2005: US$379,9 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. (2005: 8,5% p.a.). An appropriate fair value 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 adjustment to the net investment, before foreign currency adjustments, has been reduced by R59,6 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. (2005: 10% p.a.). These are payable only as and when the proceeds from the related long-term receivables are received.

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

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
TOTAL AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**484,1**	669,4	**–**	–
LESS DEFERRED EXPENDITURE	**90,9**	112,6	**–**	–
NET PRESENT VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES (AS ABOVE)	**393,2**	556,8	**–**	–
FAIR VALUE ADJUSTMENT (AS ABOVE)	**(121,4)**	(171,5)	**–**	–
FAIR VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**271,8**	385,3	**–**	–
CURRENT PORTION INCLUDED IN TRADE AND OTHER PAYABLES (AS ABOVE)	**(8,8)**	(126,8)	**–**	–
	263,0	258,5	**–**	–

10

NET INVESTMENT IN FINANCE LEASES

	GROUP					
	MINIMUM LEASE PAYMENTS	INTEREST	PRINCIPAL	MINIMUM LEASE PAYMENTS	INTEREST	PRINCIPAL
		2006			2005	
	RM	RM	RM	RM	RM	RM
AMOUNTS RECEIVABLE UNDER FINANCE LEASES						
WITHIN ONE YEAR	**61,1**	**18,0**	**43,1**	48,1	20,2	27,9
BETWEEN ONE AND FIVE YEARS	**175,5**	**47,7**	**127,8**	136,4	53,1	83,3
AFTER FIVE YEARS	**142,1**	**18,3**	**123,8**	121,5	24,4	97,1
	378,7	**84,0**	**294,7**	306,0	97,7	208,3

	GROUP	
	2006 RM	2005 RM
ANALYSED AS:		
NON-CURRENT FINANCE LEASE RECEIVABLES	**251,6**	180,4
CURRENT FINANCE LEASE RECEIVABLES INCLUDED IN TRADE AND OTHER RECEIVABLES	**43,1**	27,9
	294,7	208,3

10.1 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. There are no contingent rentals.

10.2 The interest rate inherent in the leases is fixed at the contract date for the full term of the lease.

10.3 Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at R0,5 million (2005: R0,3 million).

10.4 The investment in finance leases has been pledged as security for a loan (refer note 20).

11

DERIVATIVE FINANCIAL INSTRUMENTS

The group's various derivative instruments at 31 December comprise:

TYPE OF CONTRACT	FINAL MATURITY	UNDERLYING	NOTIONAL AMOUNT OF CONTRACTS OUTSTANDING RM	FAIR VALUE ASSETS RM	FAIR VALUE LIABILITIES RM
2006					
SHARE WARRANTS	SEPTEMBER 2009	SHARES IN SUBSIDIARY	**14,3**	**–**	**2,9**
INTEREST RATE CAP	NOVEMBER 2007	INTEREST RATES	**789,4**	**–**	**–**
INTEREST RATE SWAP	DECEMBER 2010	INTEREST RATES	**2 227,2**	**27,8**	**–**
INTEREST RATE SWAP	JUNE 2009	INTEREST RATES	**85,7**	**1,5**	**–**
INTEREST RATE SWAP	JULY 2009	INTEREST RATES	**83,8**	**–**	**1,3**
				29,3	**4,2**
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

11.1 The interest rate cap and swap contracts have been recorded at fair value and the related fair value adjustments recorded in profit or loss.

11.2 At 31 December 2006, variable interest rate debt principal outstanding amounted to R5 550,8 million (2005: R3 746,0 million) of which R3 186,1 million (2005: R2 887,3 million) in notional value was covered by interest rate cap and swap contracts.

11.3 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.

12

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	GROUP					
	ASSETS		LIABLITIES		NET	
	2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
PROPERTY, PLANT AND EQUIPMENT	**–**	–	**149,7**	121,6	**149,7**	121,6
IMPAIRMENT OF RECEIVABLES	**(118,0)**	(172,9)	**118,6**	123,2	**0,6**	(49,7)
ACCRUALS	**–**	–	**116,4**	130,1	**116,4**	130,1
FAIR VALUE ADJUSTMENT – AVAILABLE-FOR-SALE ASSETS	**–**	–	**1,4**	1,4	**1,4**	1,4
EXPORT PARTNERSHIPS	**–**	–	**1,2**	1,3	**1,2**	1,3
TAX LOSS CARRY-FORWARDS	**(55,9)**	(49,8)	**–**	–	**(55,9)**	(49,8)
PROVISIONS	**(9,6)**	(10,0)	**–**	–	**(9,6)**	(10,0)
TAX (ASSETS)/LIABILITIES	**(183,5)**	(232,7)	**387,3**	377,6	**203,8**	144,9
SET-OFF OF TAX	**79,0**	81,0	**(79,0)**	(81,0)	**–**	–
NET TAX (ASSETS)/LIABILITIES	**(104,5)**	(151,7)	**308,3**	296,6	**203,8**	144,9

Movement in temporary differences for the group during the year:

	GROUP					
	BALANCE AT THE BEGINNING THE YEAR RM	RECOGNISED IN PROFIT OR LOSS RM	RECOGNISED IN EQUITY RM	EXCHANGE ADJUSTMENT IN EQUITY RM	LONG-TERM RECEIVABLES RM	BALANCE AT THE END OF THE YEAR RM
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 ASSETS	0,8	–	0,6	–	–	1,4
EXPORT PARTNERSHIPS	2,1	(0,8)	–	–	–	1,3
TAX LOSS CARRY-FORWARDS	(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
2006						
PROPERTY, PLANT AND EQUIPMENT	**121,6**	**13,8**	**–**	**14,3**	**–**	**149,7**
IMPAIRMENT OF RECEIVABLES	**(49,7)**	**48,1**	**–**	**–**	**2,2**	**0,6**
ACCRUALS	**130,1**	**(15,7)**	**–**	**2,0**	**–**	**116,4**
FAIR VALUE ADJUSTMENT – AVAILABLE-FOR-SALE ASSETS	**1,4**	**–**	**–**	**–**	**–**	**1,4**
EXPORT PARTNERSHIPS	**1,3**	**(0,1)**	**–**	**–**	**–**	**1,2**
TAX LOSS CARRY-FORWARDS	**(49,8)**	**(0,9)**	**–**	**(5,2)**	**–**	**(55,9)**
PROVISIONS	**(10,0)**	**0,5**	**–**	**(0,1)**	**–**	**(9,6)**
	144,9	**45,7**	**–**	**11,0**	**2,2**	**203,8**

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
DEFERRED TAX PER INCOME STATEMENT:				
CONTINUING OPERATIONS (REFER NOTE 27)				
SOUTH AFRICAN	**44,2**	99,4	**(0,1)**	(0,8)
FOREIGN	**–**	(4,4)	**–**	–
DISCONTINUED OPERATIONS (REFER NOTE 28)	**1,5**	0,9	**–**	–
	45,7	95,9	**(0,1)**	(0,8)

12

DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
12.1 UNRECOGNISED DEFERRED TAX ASSETS				
Deferred tax assets have not been recognised in respect of the following items:				
TAX LOSSES	**229,5**	192,1	**–**	–

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 2006, cumulative earnings of approximately R170,1 million (2005: R130,5 million) would be subject to income taxes of approximately R43,8 million (2005: R33,6 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 R1,2 million (2005: R1,3 million) arises as a result of its participation in export partnerships. Details of the movements in temporary differences are reflected in the table above.

13

RESTRICTED BANK BALANCES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
THE RESTRICTED BANK BALANCES ARE HELD BY GRANTORS OF FINANCE AS ADDITIONAL COLLATERAL FOR INTEREST-BEARING BORROWINGS (REFER NOTE 20) AND AN OPERATING LEASE FOR OFFICE PREMISES.	**409,8**	214,3	**–**	–

14

INVENTORIES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
RAW MATERIALS	**–**	0,3	**–**	–
WORK-IN-PROGRESS	**–**	0,2	**–**	–
FINISHED GOODS	**3,5**	2,0	**–**	–
CONTAINER EQUIPMENT HELD FOR RESALE	**27,7**	27,1	**–**	–
	31,2	29,6	**–**	–

Inventory in the amount of nil (2005: R2,0 million) has been pledged as security for a loan (refer note 20).

15

TRADE AND OTHER RECEIVABLES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
TRADE RECEIVABLES	**403,8**	376,7	**–**	–
PREPAYMENTS	**10,3**	15,5	**–**	–
CURRENT PORTION OF LONG-TERM RECEIVABLES AND INVESTMENT IN FINANCE LEASES	**184,3**	186,1	**–**	–
OTHER	**21,1**	32,0	**–**	0,2
AMOUNTS DUE BY SUBSIDIARIES (REFER NOTE 7)	**–**	–	**0,1**	1,1
	619,5	610,3	**0,1**	1,3

Trade and other receivables amounting to R48,1 million (2005: R12,9 million) have been pledged as security for loans (refer note 20).

16

INCOME TAX

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
AMOUNTS PAYABLE AT THE BEGINNING OF THE YEAR	**60,9**	37,9	**–**	–
AMOUNTS RECEIVABLE AT THE BEGINNING OF THE YEAR	**(16,1)**	–	**(0,6)**	(0,1)
EFFECT OF MOVEMENTS IN EXCHANGE RATES	**6,6**	3,7	**–**	–
CHARGE PER INCOME STATEMENT (REFER NOTE 27)				
SOUTH AFRICAN NORMAL	**25,8**	5,4	**0,5**	0,9
FOREIGN NORMAL	**27,1**	37,8	**–**	–
SECONDARY TAX ON COMPANIES	**6,0**	–	**6,0**	–
AMOUNTS PAYABLE AT THE END OF THE YEAR	**(79,2)**	(60,9)	**–**	–
AMOUNTS RECEIVABLE AT THE END OF THE YEAR	**13,1**	16,1	**0,4**	0,6
AMOUNTS PAID DURING THE YEAR	**44,2**	40,0	**6,3**	1,4

17

CASH AND CASH EQUIVALENTS

BANK BALANCES	**459,2**	256,0	**0,2**	–
CALL AND TERM DEPOSITS	**156,9**	239,8	**–**	–
	616,1	495,8	**0,2**	–

18

CAPITAL AND RESERVES

SHARE CAPITAL				
AUTHORISED				
ORDINARY SHARES OF 0,5 CENT EACH				
200 000 000 (2005: 200 000 000)	**1,0**	1,0	**1,0**	1,0
ISSUED				
ORDINARY SHARES OF 0,5 CENT EACH				
158 421 842 (2005: 155 637 324)	**0,8**	0,8	**0,8**	0,8
	NUMBER OF SHARES (MILLION)			
IN ISSUE AT THE BEGINNING OF THE YEAR	**155,6**	154,0	**155,6**	154,0
ISSUED FOR CASH	**2,8**	1,6	**2,8**	1,6
IN ISSUE AT THE END OF THE YEAR, FULLY PAID	**158,4**	155,6	**158,4**	155,6

18.1 Shareholders have not been requested to place the unissued shares of the company under the control of the directors.

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

	RM	RM	RM	RM
18.3 DIVIDENDS				
DIVIDENDS DECLARED AND PAID DURING THE YEAR ARE AS FOLLOWS:				
FINAL DIVIDEND IN RESPECT OF FINANCIAL YEAR 2005 – 30 CENTS PER SHARE (2004: 12 CENTS)	**46,8**	18,6	**46,8**	18,6
INTERIM DIVIDEND IN RESPECT OF FINANCIAL YEAR 2006 – 20 CENTS PER SHARE (2005: 10 CENTS)	**31,3**	15,5	**31,3**	15,5
	78,1	34,1	**78,1**	34,1

A final dividend of 37 cents per share in respect of financial year 2006 (2005: 30 cents) was declared by the board on 22 February 2007. This dividend will be subject to STC of R7,2 million (2005: R2,1 million).

18.4 Distributable reserves of the company would be subject to STC of R26,1 million (2005: R16,4 million) if distributed by way of dividends.

18

CAPITAL AND RESERVES (CONTINUED)

18.5 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

This reserve represents the cumulative gain on the dilution of the group's investment in subsidiaries.

PREFERENCE SHARE AMORTISATION ADJUSTMENT

This reserve in the company 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 profit or loss using the amortised cost method (refer note 7).

19

CONVERTIBLE DEBENTURES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
28 626 800 (2005: 28 626 800) UNSECURED AUTOMATICALLY CONVERTIBLE SUBORDINATED DEBENTURES OF R9,10 EACH	**260,5**	260,5	**260,5**	260,5

19.1 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.

19.2 In view of the fact that the total dividends declared in respect of the year ended 31 December 2006 exceed the specified level, each debenture will be converted into one ordinary share effective 25 May 2007.

20

INTEREST-BEARING BORROWINGS

	GROUP								
	CURRENT INTEREST RATE % P.A.	INTEREST FIXED OR INDEXED TO	REPAYMENT TERMS	ANNUAL INSTALMENT RM	FINAL MATURITY	FOREIGN AMOUNT 2006	FOREIGN AMOUNT 2005	2006 RM	2005 RM
SECURED (REFER NOTE 20.1)									
LOANS									
BORROWINGS DENOMINATED IN US$						US$M	US$M		
BOND PAYABLE	5,875	LIBOR	MONTHLY	404,8	MAY 2020	**488,2**	546,2	**3 407,4**	3 446,3
DEBT FACILITY	5,924	LIBOR	COMMENCES JULY 2008	–	JUN 2023	**53,0**	–	**369,9**	–
BANK LOAN		BANK'S COMMERCIAL RATE				**–**	13,7	**–**	86,2
BANK LOAN	6,845	US FEDERAL FUNDS RATE OR US PRIME	QUARTERLY	13,3	JUN 2009	**12,3**	14,6	**85,7**	92,0
BANK LOAN	7,870	LIBOR	ON MATURITY	–	JUL 2009	**14,6**	–	**101,8**	–
SENIOR SECURED NOTES	10,720	5 YEAR US TREASURY BOND	ON MATURITY	–	SEP 2009	**17,5**	17,2	**121,8**	108,7
SHAREHOLDERS' LOANS	10,000	FIXED	ON MATURITY	–	DEC 2009	**1,8**	–	**12,8**	–
BORROWINGS DENOMINATED IN UK£						UK£M	UK£M		
BANK LOAN	7,500	FIXED	QUARTERLY	16,8	SEP 2008	**2,2**	–	**30,0**	–
BANK LOAN	6,370	FIXED	MONTHLY	16,8	SEP 2017	**18,6**	19,8	**255,3**	215,4
BANK LOAN	6,325	FIXED	QUARTERLY	40,7	MAR 2017	**41,2**	18,7	**563,9**	203,7
BANK LOAN						**–**	2,3	**–**	24,8
BANK LOAN						**–**	0,6	**–**	6,2
BORROWINGS DENOMINATED IN €						€M	€M		
BANK LOAN	4,922	UK BASE RATE	QUARTERLY	47,5	JUN 2017	**23,6**	–	**217,2**	–
FINANCE LEASE OBLIGATIONS UK£						UK£M	UK£M		
FINANCE LEASE (REFER NOTE 40)	6,130 – 7,073	FIXED	MONTHLY	30,6	MAY 2019	**46,9**	40,1	**642,0**	436,7
FINANCE LEASE	5,600	FIXED	QUARTERLY	48,9	MAR 2017	**49,1**	52,7	**671,6**	574,0
								6 479,4	5 194,0
UNSECURED									
LOAN DENOMINATED IN US$						**–**	3,0	**–**	18,9
TOTAL								**6 479,4**	5 212,9
LESS UNAMORTISED DEBT ISSUANCE COSTS								**(52,6)**	(45,1)
								6 426,8	5 167,8
LESS CURRENT PORTION INCLUDED IN CURRENT LIABILITIES								**(620,5)**	(506,3)
LOANS								**(540,9)**	(450,7)
FINANCE LEASE OBLIGATIONS								**(79,6)**	(55,6)
								5 806,3	4 661,5

20.1 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, investments in finance leases and trade receivables as well as requirements by lenders that the group companies hold restricted bank balances as additional collateral for borrowings (refer notes 2, 10, 15 and 13 respectively).

20.2 Debt issuance costs of R13,5 million (2005: R42,0 million) were capitalised during the year.

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INTEREST-BEARING BORROWINGS (CONTINUED)

20.3 Details of borrowings are as follows:

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
TOTAL BORROWING FACILITIES	**8 740,1**	8 313,9	**–**	–
ACTUAL BORROWINGS AT THE END OF THE YEAR	**6 479,5**	5 212,9	**–**	–
UNUTILISED FACILITIES	**2 260,6**	3 101,0	**–**	–

20.4 Certain loans have restrictive covenants including minimum net worth requirements, minimum working capital requirements and maintenance of minimum levels of profitability. The borrowing companies are currently in compliance with the covenants.

20.5 Certain group companies have acquired plant and equipment in terms of finance leases. In terms of the lease agreements, the group companies have 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	INTEREST	PRINCIPAL	MINIMUM LEASE PAYMENTS	INTEREST	PRINCIPAL
	2006			2005		
	RM	RM	RM	RM	RM	RM
AMOUNTS PAYABLE UNDER FINANCE LEASES						
WITHIN ONE YEAR	**157,7**	**78,1**	**79,6**	115,4	59,8	55,6
BETWEEN ONE AND FIVE YEARS	**635,9**	**259,3**	**376,6**	466,3	203,2	263,1
AFTER FIVE YEARS	**1 054,2**	**196,8**	**857,4**	867,5	175,5	692,0
	1 847,8	**534,2**	**1 313,6**	1 449,2	438,5	1 010,7

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
ANALYSED AS:				
AMOUNT DUE FOR SETTLEMENT WITHIN 12 MONTHS, INCLUDED IN CURRENT LIABILITIES	**79,6**	55,6	**–**	–
AMOUNT DUE FOR SETTLEMENT AFTER 12 MONTHS	**1 234,0**	955,1	**–**	–
	1 313,6	1 010,7	**–**	–

21

TRADE AND OTHER PAYABLES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
TRADE PAYABLES	**188,7**	104,6	**–**	–
ACCRUED EXPENSES	**150,8**	116,2	**1,9**	2,4
CURRENT PORTION OF AMOUNTS DUE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	**8,8**	126,8	**–**	–
AMOUNTS DUE TO CONTAINER OWNERS	**45,9**	37,9	**–**	–
AMOUNTS DUE IN RESPECT OF CONTAINER ACQUISITIONS	**229,8**	16,1	**–**	–
OTHER	**39,1**	22,8	**–**	–
	663,1	424,4	**1,9**	2,4

Amounts due in respect of container acquisitions will be financed from cash flows and existing facilities.

22

PROVISIONS

	GROUP				
	CARRYING VALUE AT THE BEGINNING OF THE YEAR RM	AMOUNTS USED RM	INTEREST ADJUSTMENT RM	EXCHANGE DIFFERENCES RM	CARRYING VALUE AT THE END OF THE YEAR RM
2005					
WARRANTY PROVISION	5,5	(0,2)	–	0,1	5,4
POST-EMPLOYMENT MEDICAL AID SUBSIDIES	1,3	(0,2)	0,1	–	1,2
	6,8	(0,4)	0,1	0,1	6,6
2006					
WARRANTY PROVISION	**5,4**	**(0,6)**	**–**	**–**	**4,8**
POST-EMPLOYMENT MEDICAL AID SUBSIDIES	**1,2**	**(0,2)**	**0,1**	**–**	**1,1**
	6,6	**(0,8)**	**0,1**	**–**	**5,9**

22.1 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.

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

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SHORT-TERM BORROWINGS

		GROUP		COMPANY	
	CURRENT INTEREST RATE % P.A.	2006 RM	2005 RM	2006 RM	2005 RM
LOAN FROM MOBILE INDUSTRIES LTD	–	**–**	7,3	**–**	–
OTHER	7,00	**0,1**	6,1	**–**	–
		0,1	13,4	**–**	–

These loans are unsecured and are repayable on demand.

24

OPERATING PROFIT BEFORE FINANCE COSTS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
OPERATING PROFIT BEFORE FINANCE COSTS IS ARRIVED AT AFTER TAKING INTO ACCOUNT:				
INCOME				
DIVIDEND INCOME (INCLUDED IN REVENUE)	**–**	–	**0,9**	34,1
ASSOCIATE	**–**	–	**0,9**	–
SUBSIDIARY	**–**	–	**–**	34,1
CAPITAL DISTRIBUTION	**–**	–	**121,1**	–
NET PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	**56,5**	60,5	**–**	–
REALISED AND UNREALISED EXCHANGE GAINS/(LOSSES), NOT INCLUDED IN REVENUE	**3,9**	(11,7)	**–**	–
CHARGES				
AMORTISATION OF INTANGIBLE ASSETS	**10,2**	2,6	**–**	–
AUDITORS' REMUNERATION	**9,2**	5,7	**0,3**	0,4
AUDIT FEE – CURRENT YEAR	**6,3**	4,4	**0,1**	0,1
AUDIT FEE – UNDERPROVISION PRIOR YEAR	**1,1**	0,3	**–**	–
TAX CONSULTANCY SERVICES	**1,8**	1,0	**0,2**	0,3
DIRECTORS' EMOLUMENTS	**10,5**	11,0	**0,9**	0,8
EXECUTIVE DIRECTORS				
SHORT-TERM EMPLOYEE BENEFITS	**7,0**	6,6	**–**	–
RETIREMENT BENEFIT CONTRIBUTIONS	**0,4**	0,4	**–**	–
EQUITY COMPENSATION BENEFITS	**0,7**	0,7	**–**	–
NON-EXECUTIVE DIRECTORS				
GUARANTEED REMUNERATION AND COMPANY CONTRIBUTIONS	**2,4**	3,3	**0,9**	0,8
IMPAIRMENT LOSSES/(REVERSAL OF LOSSES)	**64,1**	5,5	**9,0**	–
PROPERTY, PLANT AND EQUIPMENT	**62,7**	3,1	**–**	–
INVESTMENT IN SUBSIDIARY	**–**	–	**9,0**	–
INVENTORY	**1,5**	0,2	**–**	–
TRADE AND OTHER RECEIVABLES	**(0,1)**	2,2	**–**	–
OPERATING LEASES – PREMISES	**18,7**	17,1	**–**	–
SHARE-BASED PAYMENTS INCLUDED IN STAFF COSTS	**13,6**	20,9	**–**	–
EQUITY-SETTLED	**(0,6)**	2,7	**–**	–
CASH-SETTLED	**14,2**	18,2	**–**	–
RETIREMENT BENEFIT CONTRIBUTIONS INCLUDED IN STAFF COSTS	**5,0**	3,2	**–**	–
LOSS ON DISPOSAL OF INTANGIBLE ASSET	**2,6**	–	**–**	–

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NET FINANCE COSTS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
FINANCE EXPENSES	**362,9**	271,5	**15,7**	15,6
INTEREST EXPENSE, INCURRED BY:	**378,5**	300,2	**15,7**	15,6
TEXTAINER	**224,0**	176,6	**–**	–
TRENSTAR	**138,4**	103,8	**–**	–
OTHER GROUP COMPANIES	**16,1**	19,8	**15,7**	15,6
GAINS ON DERIVATIVE FINANCIAL INSTRUMENTS	**(15,6)**	(28,7)	**–**	–
FINANCE INCOME – INTEREST INCOME, EARNED FROM	**(36,9)**	(30,7)	**(16,8)**	(16,7)
SUBSIDIARY	**–**	–	**(16,7)**	(16,7)
CASH AND CASH EQUIVALENTS	**(36,4)**	(19,2)	**–**	–
OTHER	**(0,5)**	(11,5)	**(0,1)**	–
	326,0	240,8	**(1,1)**	(1,1)

26

EXCEPTIONAL ITEMS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
IMPAIRMENT OF GOODWILL	**(33,9)**	–	**–**	–
NET (LOSS)/GAIN ON DILUTION OF INVESTMENT IN SUBSIDIARIES	**(5,1)**	3,6	**–**	–
PREMIUM PAID ON SHARES REPURCHASED BY A SUBSIDIARY	**(0,6)**	(8,3)	**–**	–
PROFIT ON SALE OF UNLISTED INVESTMENT	**2,7**	0,2	**–**	0,2
	(36,9)	(4,5)	**–**	0,2

27

INCOME TAX EXPENSE

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
SOUTH AFRICAN NORMAL	**25,8**	5,4	**0,5**	0,9
CURRENT	**27,1**	6,3	**0,5**	0,9
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**(1,3)**	(0,9)	**–**	–
FOREIGN NORMAL – CURRENT	**27,1**	37,8	**–**	–
SECONDARY TAX ON COMPANIES	**6,0**	–	**6,0**	–
ASSOCIATED TAX CREDIT	**(5,0)**	(26,2)	**–**	–
SOUTH AFRICAN DEFERRED	**44,2**	99,4	**(0,1)**	(0,8)
ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	**44,2**	94,9	**(0,1)**	(0,7)
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**–**	1,0	**–**	–
REDUCTION IN TAX RATE	**–**	3,5	**–**	(0,1)
FOREIGN DEFERRED – ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	**–**	(4,4)	**–**	–
	98,1	112,0	**6,4**	0,1
THE EFFECTIVE TAX RATE IS RECONCILED AS FOLLOWS:	%	%	%	%
STATUTORY TAX RATE	**29,0**	29,0	**29,0**	29,0
NON-TAXABLE INCOME	**(0,9)**	(2,9)	**(32,5)**	(31,1)
NON-TAX PAYING ENTITIES	**(0,2)**	(0,1)	**–**	–
NON-DEDUCTIBLE EXPENSES	**3,7**	0,3	**3,9**	2,5
FOREIGN DIFFERENTIAL	**(20,4)**	(14,3)	**–**	–
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**(0,3)**	0,2	**–**	0,1
CURRENT YEAR LOSSES FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNISED	**3,4**	2,9	**–**	–
RECOGNITION OF PREVIOUSLY UNRECOGNISED TAX LOSSES	**(0,2)**	–	**–**	–
CHANGE IN TAX RATE	**–**	0,4	**–**	(0,2)
SECONDARY TAX ON COMPANIES	**1,0**	–	**5,5**	–
EXCEPTIONAL ITEMS	**1,5**	(0,2)	**–**	–
EFFECTIVE TAX RATE	**16,6**	15,3	**5,9**	0,3

27.1 Certain group companies are not subject to tax in their country of incorporation. However, these companies are subject to tax 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.

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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 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
REALISED AND UNREALISED EXCHANGE GAINS	**3,0**	3,3	**–**	–
STAFF COSTS	**–**	(0,3)	**–**	–
IMPAIRMENT LOSS – PLANT AND EQUIPMENT	**(18,8)**	–	**–**	–
IMPAIRMENT REVERSAL – TRADE AND OTHER RECEIVABLES	**19,3**	3,6	**–**	–
PROFIT ON DISPOSAL OF PLANT AND EQUIPMENT	**0,1**	–	**–**	–
OTHER INCOME	**1,2**	0,1	**–**	–
OTHER EXPENSES	**(0,3)**	(0,5)	**–**	–
PROFIT BEFORE TAX	**4,5**	6,2	**–**	–
INCOME TAX EXPENSE	**(1,5)**	(0,9)	**–**	–
PROFIT AFTER TAX	**3,0**	5,3	**–**	–
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**5,0**	–	**–**	–
TOTAL LIABILITIES	**7,6**	5,8	**–**	–
CASH FLOW INFORMATION				
CASH (UTILISED BY)/GENERATED FROM ACTIVITIES	**(0,4)**	3,6	**–**	–

During November 2006 the sale of the tank container plant and equipment was cancelled due to non-performance by the purchaser and the plant was re-acquired by the group at the original selling price. The plant and equipment is carried at fair value less estimated costs to sell. Management is seeking other purchasers for this equipment. Assets classified as held for sale are shown as a separate segment in note 36.

29

EARNINGS PER SHARE

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
BASIC EARNINGS PER SHARE				
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
FROM CONTINUING OPERATIONS	**316,4**	418,2	**–**	–
FROM DISCONTINUED OPERATIONS	**3,0**	5,3	**–**	–
	319,4	423,5	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	**156,5**	155,0	**–**	–
ISSUED SHARES AT 1 JANUARY (MILLION)	**155,6**	154,0	**–**	–
EFFECT OF SHARE OPTIONS EXERCISED DURING THE YEAR (MILLION)	**0,9**	1,0	**–**	–
BASIC EARNINGS PER SHARE (CENTS)				
ENTITY AS A WHOLE	**204,1**	273,2	**–**	–
CONTINUING OPERATIONS	**202,2**	269,8	**–**	–
DISCONTINUED OPERATIONS	**1,9**	3,4	**–**	–

29

EARNINGS PER SHARE (CONTINUED)

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
DILUTED EARNINGS PER SHARE				
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**319,4**	423,5	**–**	–
EFFECT OF DILUTIVE POTENTIAL SHARES:				
AFTER TAX EFFECT OF INTEREST ON CONVERTIBLE DEBENTURES	**11,1**	11,1	**–**	–
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (DILUTED)	**330,5**	434,6	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES (MILLION) (DILUTED)	**187,1**	186,5	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES (BASIC) (MILLION)	**156,5**	155,0	**–**	–
EFFECT OF CONVERSION OF CONVERTIBLE DEBENTURES (MILLION)	**28,6**	28,6	**–**	–
EFFECT OF SHARE OPTIONS ON ISSUE (MILLION)	**2,0**	2,9	**–**	–
DILUTED EARNINGS PER SHARE (CENTS)				
ENTITY AS A WHOLE	**176,6**	233,0	**–**	–
CONTINUING OPERATIONS	**175,0**	230,2	**–**	–
DISCONTINUED OPERATIONS	**1,6**	2,8	**–**	–
HEADLINE EARNINGS PER SHARE				
UNDILUTED				
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**319,4**	423,5	**–**	–
DISCONTINUED OPERATIONS	**(3,0)**	(5,3)	**–**	–
EXCEPTIONAL ITEMS	**37,0**	4,5	**–**	–
LOSS ON DISPOSAL OF INTANGIBLE ASSET	**2,6**	–	**–**	–
IMPAIRMENT OF PLANT AND EQUIPMENT	**36,3**	2,3	**–**	–
NET PROFIT ON SALE OF PLANT AND EQUIPMENT	**(27,8)**	(26,8)	**–**	–
MINORITY SHARE OF EXCEPTIONAL ITEMS	**(0,1)**	(2,3)	**–**	–
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**364,4**	395,9	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	**156,5**	155,0	**–**	–
HEADLINE EARNINGS PER SHARE (CENTS)	**232,8**	255,4	**–**	–
DILUTED				
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**364,4**	395,9	**–**	–
EFFECT OF DILUTIVE POTENTIAL SHARES:				
AFTER TAX EFFECT OF INTEREST ON CONVERTIBLE DEBENTURES	**11,1**	11,1	**–**	–
DILUTED HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**375,5**	407,0	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES (MILLION) (DILUTED)	**187,1**	186,5	**–**	–
DILUTED HEADLINE EARNINGS PER SHARE (CENTS)	**200,7**	218,2	**–**	–

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 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**364,4**	395,9	**–**	–
NET PROFIT ON SALE OF CONTAINERS	**32,4**	29,5	**–**	–
ADJUSTED UNDILUTED HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**396,8**	425,4	**–**	–
ADJUSTED UNDILUTED HEADLINE EARNINGS PER SHARE (CENTS)	**253,5**	274,5	**–**	–

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OPERATING LEASES

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
LEASES AS LESSEE				
NON-CANCELLABLE OPERATING LEASE RENTALS ARE PAYABLE AS FOLLOWS:				
WITHIN ONE YEAR	**19,3**	12,9	**–**	–
BETWEEN ONE AND FIVE YEARS	**55,8**	44,4	**–**	–
AFTER FIVE YEARS	**1,6**	10,9	**–**	–
	76,7	68,2	**–**	–

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

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
FOR LEASING EQUIPMENT AUTHORISED BY THE BOARD:				
CONTRACTED	**280,1**	3,2	**–**	–

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 November 2005, initiated by certain limited partners, 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. On 10 January 2007, the federal case was dismissed, with prejudice, and has since been timely appealed. Discovery is ongoing in the state case. While it is not possible to predict or determine the outcome of these lawsuits, the board of Textainer believes that they are without merit and will continue to 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 2006 was R5,8 million (2005: R7,8 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 2006, 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 R484,1 million (2005: R669,4 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 2006 and 2005 was nil.

32.5 3 808 746 shares in Textainer (approximately 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 a subsidiary 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 2006 was R85,7 million (2005: R92,0 million) (refer note 20).

32.7 Textainer has entered into various agreements with third parties for the purchase of containers for resale which expire in December 2007 amounting to R30,4 million (2005: R14,2 million). The amount outstanding under these agreements at 31 December 2006 was R30,4 million (2005: R9,4 million).

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NOTE TO THE CASH FLOW STATEMENTS

	GROUP 2006 RM	GROUP 2005 RM	COMPANY 2006 RM	COMPANY 2005 RM
RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM/(UTILISED BY) OPERATIONS:				
PROFIT BEFORE TAX	**594,4**	739,8	**108,4**	32,0
CONTINUING OPERATIONS	**589,9**	733,6	**108,4**	32,0
DISCONTINUED OPERATIONS	**4,5**	6,2	**–**	–
ADJUSTED FOR:				
FINANCE EXPENSES	**362,9**	271,5	**15,7**	15,6
FINANCE INCOME	**(36,9)**	(30,7)	**(16,8)**	(16,7)
DIVIDENDS RECEIVED	**–**	–	**–**	(34,1)
SHARE OF PROFIT OF ASSOCIATE	**(0,6)**	–	**–**	–
UNREALISED FOREIGN EXCHANGE GAINS	**(206,6)**	(269,6)	**–**	–
NET INCREASE IN FAIR VALUE ADJUSTMENT IN RESPECT OF NET INVESTMENT IN LONG-TERM RECEIVABLES	**8,3**	17,7	**–**	–
OTHER NON-CASH FLOW ADJUSTMENTS TO THE NET INVESTMENT IN LONG-TERM RECEIVABLES	**(56,6)**	(36,1)	**–**	–
DEPRECIATION	**521,5**	489,1	**–**	–
PROFIT ON SALE OF PROPERTY, PLANT AND EQUIPMENT	**(56,6)**	(60,5)	**–**	–
EXCEPTIONAL ITEMS	**36,9**	4,5	**–**	(0,2)
IMPAIRMENT OF TRENCOR EXPORT PARTNERSHIP	**–**	–	**–**	0,1
IMPAIRMENT LOSSES, NET OF REVERSALS	**63,5**	1,9	**9,0**	–
CONTINUING OPERATIONS	**64,1**	5,5	**9,0**	–
DISCONTINUED OPERATIONS	**(0,6)**	(3,6)	**–**	–
LOSS ON DISPOSAL OF INTANGIBLE ASSET	**2,6**	–	**–**	–
SHARE-BASED PAYMENTS	**15,5**	20,9	**–**	–
AMORTISATION OF INTANGIBLE ASSETS	**10,2**	2,6	**–**	–
DEFERRED INCOME	**19,8**	(0,5)	**–**	–
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**1 278,3**	1 150,6	**116,3**	(3,3)
WORKING CAPITAL CHANGES	**148,4**	(102,2)	**0,7**	(0,7)
DECREASE/(INCREASE) IN INVENTORIES	**0,3**	(19,5)	**–**	–
DECREASE/(INCREASE) IN TRADE AND OTHER RECEIVABLES	**49,0**	(40,2)	**1,2**	(1,0)
INCREASE/(DECREASE) IN TRADE AND OTHER PAYABLES	**99,1**	(42,5)	**(0,5)**	0,3
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	**1 426,7**	1 048,4	**117,0**	(4,0)

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EMPLOYEE BENEFITS

34.1 SHARE-BASED PAYMENTS

Trencor and two of its subsidiaries, Textainer and TrenStar Inc, have share option plans for certain employees, including executive directors, to purchase shares in terms of the rules of the individual plans.

	TRENCOR	TRENSTAR	TEXTAINER
NUMBER OF SHARES AUTHORISED UNDER SHARE OPTION PLANS AT 31 DECEMBER 2006 AND 2005	15 284 209	1 500 000	1 550 000

SUMMARY OF ACTIVITY IN SHARE OPTION PLANS

34.1.1 EQUITY-SETTLED 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 % OF GRANT	EMPLOYMENT MORE THAN 5 YEARS % OF GRANT
OPTIONS GRANTED VESTING AFTER 1 YEAR		25
AFTER 2 YEARS		25
AFTER 3 YEARS	25	50
AFTER 4 YEARS	25	
AFTER 5 YEARS	25	
AFTER 6 YEARS	25	
	100	100

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE R	EXPIRATION YEAR
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
FORFEITED	(17 500)	–	(17 500)	5,25	2009
EXERCISED	–	(2 564 518)	(2 564 518)	5,25	2009
VESTED	(151 250)	151 250	–	5,25	2009
OUTSTANDING AT 31 DECEMBER 2006	543 750	276 500	820 250	8,59	2010

The weighted average share price at date of exercise was R27,66 per share (2005: R19,23 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 LIFE OPTION TIME (YEARS)	5 – 7
VOLATILITY %	50,5 – 52,8
DIVIDEND YIELD %	0,0
RISK FREE RATE % (BASED ON NATIONAL GOVERNMENT BONDS)	10,0 –10,1

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EMPLOYEE BENEFITS (CONTINUED)

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

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 GRANTED VESTING AFTER 1 YEAR	25
AFTER 2 YEARS	25
AFTER 3 YEARS	25
AFTER 4 YEARS	25
	100

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE US$	EXPIRATION YEAR
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
GRANTED	322 000	–	322 000	4,67	2014
FORFEITED	(34 950)	(198 700)	(233 650)	4,37	2011
VESTED	(189 828)	189 828	–	4,56	2011
OUTSTANDING AT 31 DECEMBER 2006	272 924	407 326	680 250	4,60	2012

The fair value of the share appreciation rights at grant date is determined based on the Actuarial Binomial Model. 1 107 000 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	GRANT DATE BETWEEN 1 JAN 05 AND 31 MAY 06
NUMBER OF OPTIONS GRANTED	425 000	5 000	100 000	255 000	322 000
FAIR VALUE AT MEASUREMENT DATE (US$)	1,69	1,82	1,61	1,83	1,83
SHARE PRICE AT GRANT DATE (US$)	4,50	4,67	4,20	4,67	4,67
EXPECTED LIFE OPTION TIME (YEARS)	4 – 6	4 – 6	4 – 6	4 – 6	4 – 6
VOLATILITY %	45,0	45,0	45,0	45,0	45,0
DIVIDEND YIELD %	0,0	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	3,6 – 5,0

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

34.1.2 CASH-SETTLED PLAN

TEXTAINER

Textainer has granted stock options through five stock option plans, the 1994 Plan, the 1996 Plan, the 1997 Plan, the 1998 Plan and the 2001 Plan, to certain employees to purchase shares of its common stock. There are no performance criteria attached to the option plan. All options lapse after a period of 10 years from date of grant. The options vest over a total period of 5 years from the option grant date as follows:

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EMPLOYEE BENEFITS (CONTINUED)

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

	NUMBER OF OPTIONS			WEIGHTED AVERAGE	
	UNVESTED	VESTED	TOTAL	EXERCISE PRICE US$	EXPIRATION YEAR
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
EXERCISED	–	(115 000)	(115 000)	5,17	2010
VESTED	(75 000)	75 000	–	5,62	2011
OUTSTANDING AT 31 DECEMBER 2006	–	165 000	165 000	5,31	2010

All options except those under the 2001 Plan vested prior to 2004. The fair value of each share granted under the 2001 Plan was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: (i) a risk-free interest rate, 4,7%, is based on the implied yield on a US Treasury zero-coupon issue with a remaining term equal to the expected term of the option life of 6 years, (ii) the expected stock price volatility, 35%, is based on the historical volatility of the company's stock value as evaluated by an external company, and (iii) the dividend yield of 10,7% reflects the yield on the date of grant.

Where options have been exercised by an employee and the employee continues to hold the shares, Textainer has an obligation to repurchase these shares at the instance of the employee. The liability in respect of this obligation has been measured at the book value of the put option, being the redemption value should all employees who have previously exercised their options elect to put the shares back to Textainer.

34.1.3 The carrying amount of the liability relating to the cash-settled options at 31 December 2006 was R88,2 million (2005: R64,7million). The amount included in staff costs in respect of share-based payments are:

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
EQUITY-SETTLED	**(0,6)**	2,7	**–**	–
CASH-SETTLED – EFFECT OF CHANGES IN FAIR VALUE	**14,2**	18,2	**–**	–
	13,6	20,9	**–**	–

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 2006 the fund had 152 members (2005: 129 members) whose aggregate share of the fund amounted to R59,1 million (2005: R51,4 million). The fund has no residual 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 22).

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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.

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.

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 2006 the group had no exposure to foreign currency contracts (2005: nil).

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

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FINANCIAL INSTRUMENTS (CONTINUED)

DENOMINATED IN	SA RAND	US$	€	UK£	TOTAL
	RM	RM	RM	RM	RM
2006					
ASSETS					
OTHER INVESTMENTS	**12,3**	**99,4**	**–**	**2,9**	**114,6**
LONG-TERM LOANS	**0,3**	**8,2**	**–**	**–**	**8,5**
LONG-TERM RECEIVABLES	**–**	**1 267,8**	**–**	**–**	**1 267,8**
NET INVESTMENT IN FINANCE LEASES	**–**	**251,6**	**–**	**–**	**251,6**
DERIVATIVE FINANCIAL INSTRUMENTS	**–**	**29,3**	**–**	**–**	**29,3**
RESTRICTED BANK BALANCES	**–**	**171,9**	**6,4**	**231,5**	**409,8**
INVENTORIES	**1,1**	**27,7**	**–**	**2,4**	**31,2**
TRADE AND OTHER RECEIVABLES	**21,6**	**497,4**	**38,2**	**62,3**	**619,5**
CASH AND CASH EQUIVALENTS	**69,8**	**463,6**	**3,4**	**79,3**	**616,1**
	105,1	**2 816,9**	**48,0**	**378,4**	**3 348,4**
LIABILITIES					
CONVERTIBLE DEBENTURES	**260,5**	**–**	**–**	**–**	**260,5**
INTEREST-BEARING BORROWINGS	**–**	**3 640,9**	**167,9**	**1 997,5**	**5 806,3**
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	**263,0**	**–**	**–**	**–**	**263,0**
SHARE-BASED PAYMENTS	**–**	**88,2**	**–**	**–**	**88,2**
DERIVATIVE FINANCIAL INSTRUMENTS	**–**	**4,2**	**–**	**–**	**4,2**
DEFERRED INCOME	**–**	**1,2**	**–**	**51,6**	**52,8**
TRADE AND OTHER PAYABLES	**37,6**	**417,9**	**2,8**	**204,8**	**663,1**
PROVISIONS	**5,9**	**–**	**–**	**–**	**5,9**
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	**–**	**418,2**	**47,7**	**154,6**	**620,5**
SHORT-TERM BORROWINGS	**0,1**	**–**	**–**	**–**	**0,1**
	567,1	**4 570,6**	**218,4**	**2 408,5**	**7 764,6**
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
RESTRICTED BANK BALANCES	–	109,8	–	104,5	214,3
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	452,6	–	40,7	495,8
	76,5	2 546,4	–	231,8	2 854,7
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
SHARE-BASED PAYMENTS	–	64,7	–	–	64,7
DERIVATIVE FINANCIAL INSTRUMENTS	–	2,6	–	–	2,6
DEFERRED INCOME	0,2	2,1	–	23,1	25,4
TRADE AND OTHER PAYABLES	144,5	209,8	–	70,1	424,4
PROVISIONS	6,0	–	–	0,6	6,6
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	–	394,6	–	111,7	506,3
SHORT-TERM BORROWINGS	13,4	–	–	–	13,4
	683,1	3 994,2	–	1 546,6	6 223,9
EXCHANGE RATES (ONE FOREIGN CURRENCY UNIT EQUALS SA RAND)					
2006		**6,98**	**9,22**	**13,69**	
2005		6,31	–	10,90	

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FINANCIAL INSTRUMENTS (CONTINUED)

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 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:

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE % P.A.	MATURITY OF INTEREST-BEARING A SSET/LIABILITY			NON-INTEREST-BEARING RM	TOTAL RM
		ONE YEAR OR LESS RM	ONE TO FIVE YEARS RM	OVER FIVE YEARS RM		
2006						
ASSETS						
LONG-TERM LOANS						
SA RAND	–	–	–	–	0,3	0,3
US$	6,02	–	8,2	–	–	8,2
		–	8,2	–	0,3	8,5
RESTRICTED BANK BALANCES						
UK£	4,35	–	231,5	–	–	231,5
US$	4,30	–	171,9	–	–	171,9
€	–	–	–	–	6,4	6,4
		–	403,4	–	6,4	409,8
CASH AND CASH EQUIVALENTS						
SA RAND	8,09	69,8	–	–	–	69,8
UK£	2,18	15,8	–	–	63,5	79,3
US$	3,77	450,6	–	–	13,0	463,6
€	–	–	–	–	3,4	3,4
		536,2	–	–	79,9	616,1
LIABILITIES						
CONVERTIBLE DEBENTURES	6,00	260,5	–	–	–	260,5
INTEREST-BEARING BORROWINGS						
AT FIXED INTEREST RATES						
UK£	6,23	58,7	280,9	529,5	(5,9)	863,2
US$	10,00	–	12,8	–	–	12,8
		58,7	293,7	529,5	(5,9)	876,0
AT FLOATING INTEREST RATES						
UK£	6,85	95,8	379,8	818,1	(4,8)	1 288,9
US$	5,76	418,2	2 044,7	1 623,7	(40,3)	4 046,3
€	4,92	47,7	67,1	102,4	(1,6)	215,6
		561,7	2 491,6	2 544,2	(46,7)	5 550,8
		620,4	2 785,3	3 073,7	(52,6)	6 426,8
SHORT-TERM BORROWINGS						
AT FLOATING INTEREST RATES – SA RAND	7,00	0,1	–	–	–	0,1

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FINANCIAL INSTRUMENTS (CONTINUED)

35.4 INTEREST RATE RISK (CONTINUED)

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE % P.A.	MATURITY OF INTEREST-BEARING ASSET/LIABILITY ONE YEAR OR LESS RM	ONE TO FIVE YEARS RM	OVER FIVE YEARS RM	NON-INTEREST-BEARING RM	TOTAL 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
RESTRICTED BANK BALANCES						
UK£	2,00	–	109,8	–	–	109,8
US$	4,25	–	104,5	–	–	104,5
		–	214,3	–	–	214,3
CASH AND CASH EQUIVALENTS						
SA RAND	2,75	2,5	–	–	–	2,5
UK£	2,26	4,3	–	–	36,4	40,7
US$	3,47	277,9	–	–	174,7	452,6
		284,7	–	–	211,1	495,8
LIABILITIES						
CONVERTIBLE DEBENTURES	6,00	–	260,5	–	–	260,5
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

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 20).

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 2006, it is estimated that a general increase of one percentage point in interest rates would decrease the group's profit before tax by approximately R7,5 million (2005: R9,1 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 R18,5 million for the year ended 31 December 2006 (2005: R16,5 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 19). The fair value of the convertible debentures at 31 December 2006, based on quoted market prices without any deduction for transaction costs, was R807,3 million (2005: R566,8 million). The relevant carrying amounts were R260,5 million (2005: R260,5 million).

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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 is 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	
	2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
REVENUE						
REVENUE FROM EXTERNAL CUSTOMERS						
CONTINUING OPERATIONS	**262,3**	292,0	**1 465,8**	1 394,8	**516,3**	411,5
GOODS SOLD AND SERVICES RENDERED	**–**	(29,7)	**95,7**	101,5	**28,8**	55,1
LEASING INCOME	**–**	–	**1 260,5**	1 195,4	**487,4**	356,2
MANAGEMENT FEES	**–**	–	**109,6**	97,9	**–**	–
FINANCE INCOME	**57,8**	49,6	**–**	–	**0,1**	0,2
REALISED AND UNREALISED EXCHANGE GAINS	**204,5**	272,1	**–**	–	**–**	–
SEGMENT RESULT						
PROFIT/(LOSS) BEFORE INTEREST AND ITEMS REFLECTED BELOW AND TAX	**248,6**	283,2	**720,9**	676,7	**13,1**	43,8
CONTINUING OPERATIONS	**248,6**	283,2	**720,9**	676,7	**13,1**	43,8
DISCONTINUED OPERATIONS	**–**	–	**–**	–	**–**	–
NET FINANCE COSTS						
EXCEPTIONAL ITEMS						
SHARE OF PROFIT OF ASSOCIATE						
INCOME TAX EXPENSE						
CONTINUING OPERATIONS						
DISCONTINUED OPERATIONS						
PROFIT AFTER TAX						
OTHER INFORMATION						
SEGMENT ASSETS	**1 408,8**	1 398,6	**6 553,6**	5 461,5	**3 154,5**	2 092,4
CONTINUING OPERATIONS	**1 408,8**	1 398,6	**6 553,6**	5 461,5	**3 154,5**	2 092,4
DISCONTINUED OPERATIONS	**–**	–	**–**	–	**–**	–
INVESTMENT IN ASSOCIATE AND OTHER INVESTMENTS						
LONG-TERM LOANS						
DEFERRED TAX						
CURRENT TAX ASSET						
TOTAL ASSETS						
SEGMENT LIABILITIES	**272,1**	385,6	**466,3**	243,5	**313,6**	135,4
CONTINUING OPERATIONS	**272,1**	385,6	**466,3**	243,5	**313,6**	135,4
DISCONTINUED OPERATIONS	**–**	–	**–**	–	**–**	–
CONVERTIBLE DEBENTURES						
INTEREST-BEARING AND SHORT-TERM BORROWINGS						
DEFERRED TAX						
CURRENT TAX LIABILITY						
TOTAL LIABILITIES						
SUPPLEMENTARY INFORMATION						
CAPITAL EXPENDITURE	**–**	–	**937,6**	346,1	**737,1**	469,8
CONTINUING OPERATIONS	**–**	–	**937,6**	346,1	**737,1**	469,8
DISCONTINUED OPERATIONS	**–**	–	**–**	–	**–**	–
DEPRECIATION AND AMORTISATION EXPENSE – CONTINUING OPERATIONS	**–**	–	**373,5**	381,4	**156,4**	108,3
OTHER SIGNIFICANT NON-CASH INCOME/(EXPENSES)	**263,2**	307,8	**48,6**	103,1	**(29,3)**	(7,1)
NET LONG-TERM RECEIVABLE FAIR VALUE ADJUSTMENT	**(8,3)**	(18,1)	**–**	–	**–**	–
(IMPAIRMENT LOSSES)/REVERSAL OF LOSSES	**–**	–	**(2,1)**	(3,9)	**(62,0)**	(1,6)

OTHER (INCLUDING CORPORATE OVERHEADS)		DISCONTINUED: CONTAINER MANUFACTURING		CONSOLIDATED	
2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
1,5	1,3	**–**	–	**2 245,9**	2 099,6
1,5	1,3	**–**	–	**126,0**	128,2
–	–	**–**	–	**1 747,9**	1 551,6
–	–	**–**	–	**109,6**	97,9
–	–	**–**	–	**57,9**	49,8
–	–	**–**	–	**204,5**	272,1
(30,4)	(24,8)	**4,5**	6,2	**956,7**	985,1
(30,4)	(24,8)	**–**	–	**952,2**	978,9
–	–	**4,5**	6,2	**4,5**	6,2
				(326,0)	(240,8)
				(36,9)	(4,5)
				0,6	–
				(99,6)	(112,9)
				(98,1)	(112,0)
				(1,5)	(0,9)
				494,8	626,9
226,1	207,0	**5,0**	–	**11 348,0**	9 159,5
226,1	207,0	**–**	–	**11 343,0**	9 159,5
–	–	**5,0**	–	**5,0**	–
				114,6	30,7
				8,5	24,6
				104,5	151,7
				13,1	16,1
				11 588,7	9 382,6
19,2	11,9	**6,0**	5,8	**1 077,2**	782,2
19,2	11,9	**–**	–	**1 071,2**	776,4
–	–	**6,0**	5,8	**6,0**	5,8
				260,5	260,5
				6 426,9	5 181,2
				308,3	296,6
				79,2	60,9
				8 152,1	6 581,4
–	0,5	**23,8**	–	**1 698,5**	816,4
–	0,5	**–**	–	**1 674,7**	816,4
–	–	**23,8**	–	**23,8**	–
1,8	2,0	**–**	–	**531,7**	491,7
(0,7)	(2,8)	**4,3**	(0,1)	**286,1**	400,9
–	–	**–**	–	**(8,3)**	(18,1)
–	–	**0,6**	3,6	**(63,5)**	(1,9)

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RELATED PARTIES

37.1 IDENTITY OF RELATED PARTIES

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

37.2 INTRA-GROUP TRANSACTIONS AND BALANCES

Amounts due by subsidiaries (refer note 7).
Interest received from subsidiary (refer notes 7 and 25).
Guarantee fee received from subsidiary (refer notes 7 and 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 the share capital of the company refer to the corporate governance section of the annual report.

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

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
SHORT-TERM EMPLOYEE BENEFITS	**23,4**	21,1	**0,9**	0,8
RETIREMENT BENEFIT CONTRIBUTIONS	**0,4**	0,5	**–**	–
EQUITY COMPENSATION BENEFITS	**1,2**	0,7	**–**	–
	25,0	22,3	**0,9**	0,8
PAID TO				
DIRECTORS	**10,5**	11,0	**0,9**	0,8
EXECUTIVE OFFICERS	**14,5**	11,3	**–**	–
	25,0	22,3	**0,9**	0,8

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.

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ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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 FAIR VALUE ADJUSTMENT

In calculating the amount of the fair value 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, 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

Management 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 of 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 residual values vary according to the type of keg and are based on actual residual values realised on disposal and independent valuations.

38.3 DEFERRED TAX ASSETS

A net deferred tax asset of approximately R229,5 million (2005: R192,1 million) has not been recognised with regards to TrenStar Inc and TrenStar SA (Pty) Ltd because these companies are not expected to generate taxable income for the foreseeable future. This is dependent on market conditions and other variables not known at this time.

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EXPLANATION OF CHANGES TO COMPARATIVES

GROUP

39.1 IFRS ADJUSTMENTS

Two IFRS adjustments were identified in the preparation of the 2006 Textainer results, which were not identified in 2005. These relate to the accounting for certain expense provisions and the Textainer stock option plan. Although the impact on the current and prior years's net profit is not material, the comparatives and opening equity position have been restated for the adjustments due to the material cumulative impact thereof.

39.2 RECLASSIFICATIONS

BALANCE SHEET

Restricted bank balances, previously recorded as cash and cash equivalents have now been classified separately as non-current assets due to the maturity profile of the amounts. Deferred revenue has been reclassified in 2005 as a non-current liability.

INCOME STATEMENT

Gains/(Losses) on derivative financial instruments were previously included in operating profit. Since these instruments are held to mitigate interest rate risk, they are now included in finance expenses.

BALANCE SHEET

		IFRS ADJUSTMENTS			
	AS PREVIOUSLY STATED RM	REVERSAL OF EXPENSE PROVISIONS RM	TEXTAINER STOCK OPTION RM	RECLASSIFICATION OF RESTRICTED BANK BALANCES RM	RESTATED AMOUNTS RM
RESTATEMENT AT 1 JANUARY 2005					
CHANGES TO ASSETS					
NON-CURRENT ASSETS					
RESTRICTED BANK BALANCES	–	–	–	156,8	156,8
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	439,7	–	–	(156,8)	282,9
CHANGES TO EQUITY					
RETAINED INCOME	1 329,7	20,6	(30,1)	–	1 320,2
MINORITY INTEREST	553,2	18,4	(11,3)	–	560,3
CHANGES TO LIABILITIES					
NON-CURRENT LIABILITIES					
SHARE-BASED PAYMENTS	–	–	41,4	–	41,4
CURRENT LIABILITIES					
PROVISIONS	42,4	(39,0)	–	–	3,4
RESTATEMENT AT 31 DECEMBER 2005					
CHANGES TO ASSETS					
NON-CURRENT ASSETS					
RESTRICTED BANK BALANCES	–	–	–	214,3	214,3
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	710,1	–	–	(214,3)	495,8
CHANGES TO EQUITY					
NON-DISTRIBUTABLE RESERVE – FOREIGN CURRENCY TRANSLATION RESERVE	(23,5)	2,6	(3,8)	–	(24,7)
RETAINED INCOME	1 726,1	23,1	(43,2)	–	1 706,0
MINORITY INTEREST	824,4	26,3	(17,7)	–	833,0
CHANGES TO LIABILITIES					
NON-CURRENT LIABILITIES					
SHARE-BASED PAYMENTS	–	–	64,7	–	64,7
CURRENT LIABILITIES					
PROVISIONS	58,6	(52,0)	–	–	6,6

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EXPLANATION OF CHANGES TO COMPARATIVES (CONTINUED)

RECONCILIATION OF PROFIT FOR THE YEAR ENDED 31 DECEMBER 2005

	AS PREVIOUSLY STATED RM	IFRS ADJUSTMENTS REVERSAL OF EXPENSE PROVISIONS RM	IFRS ADJUSTMENTS TEXTAINER STOCK OPTION RM	RECLASSIFICATION OF (GAINS)/LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS RM	RESTATED AMOUNTS RM
REVENUE	2 099,6	–	–	–	2 099,6
OTHER OPERATING INCOME	125,6	–	–	(55,0)	70,6
CHANGES IN INVENTORIES	(98,4)	–	–	–	(98,4)
DIRECT LEASING EXPENSES	(244,0)	8,2	–	–	(235,8)
STAFF COSTS	(175,7)	–	(18,2)	–	(193,9)
DEPRECIATION	(489,1)	–	–	–	(489,1)
OTHER OPERATING EXPENSES	(182,3)	–	–	26,3	(156,0)
NET LONG-TERM RECEIVABLE FAIR VALUE ADJUSTMENT	(18,1)	–	–	–	(18,1)
OPERATING PROFIT BEFORE FINANCE COSTS	1 017,6	8,2	(18,2)	(28,7)	978,9
NET FINANCE COSTS	(269,5)	–	–	28,7	(240,8)
FINANCE EXPENSES	(300,2)	–	–	28,7	(271,5)
FINANCE INCOME	30,7	–	–	–	30,7
EXCEPTIONAL ITEMS	(4,5)	–	–	–	(4,5)
PROFIT BEFORE TAX	743,6	8,2	(18,2)	–	733,6
INCOME TAX EXPENSE	(112,0)	–	–	–	(112,0)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	631,6	8,2	(18,2)	–	621,6
DISCONTINUED OPERATIONS					
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	5,3	–	–	–	5,3
PROFIT FOR THE YEAR	636,9	8,2	(18,2)	–	626,9
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	434,1	2,6	(13,2)	–	423,5
MINORITY INTEREST	202,8	5,6	(5,0)	–	203,4
PROFIT FOR THE YEAR	636,9	8,2	(18,2)	–	626,9
BASIC EARNINGS PER SHARE (CENTS)					
ENTITY AS A WHOLE	280,1	1,6	(8,5)	–	273,2
CONTINUING OPERATIONS	276,7	1,6	(8,5)	–	269,8
DISCONTINUED OPERATIONS	3,4	–	–	–	3,4
DILUTED EARNINGS PER SHARE (CENTS)					
ENTITY AS A WHOLE	238,7	1,4	(7,1)	–	233,0
CONTINUING OPERATIONS	235,9	1,4	(7,1)	–	230,2
DISCONTINUED OPERATIONS	2,8	–	–	–	2,8

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POSSIBLE TERMINATION OF CONTRACTS AND GOING CONCERN CONSIDERATIONS

Contractual disputes between certain subsidiaries of TrenStar Inc ('TrenStar') in the UK and two of the subsidiaries' larger UK brewer customers regarding responsibility for replacing beer kegs lost due to theft coupled with declining draught beer sales by these customers (on which TrenStar's revenue is based) have made the underlying contracts uneconomic.

Subsequent to 31 December 2006 and in order to facilitate a solution, Brewers Logistics Management Ltd ('BLML'), the special purpose TrenStar subsidiary that contracted with one of these customers, was placed into administration. On 19 March 2007, the customer concerned gave notice of termination of the contract, which triggered their right to purchase the kegs within 30 days.

The net book value of these kegs at 31 December 2006 was approximately UK£49 million and the book value of the related debt was UK£47 million (refer note 20). In addition, BLML has UK£8,5 million on deposit in restricted security deposit accounts held by the bank that financed the purchase of the kegs.

Depending upon the value placed on the keg fleet, it is probable that BLML will forfeit UK£4,5 million currently held in the restricted security deposit accounts (of which UK£2,6 million is attributable to the group after minority interest) and consequently an impairment has been recorded in these financial statements (refer note 2).

With the loss of this contract, TrenStar's goal of pooling kegs for multiple brewers in the UK by purchasing their keg fleets, pooling them, and providing the brewers with keg management services using the pooled fleet, is no longer viable and, as a result, its other contracts with UK and European brewers may be terminated. A decision has not been made in this regard, but TrenStar believes that these contracts may be terminated on the basis that the brewers will repurchase the keg fleets for amounts that will satisfy the related outstanding debt, with the possibility that the company may have to incur some additional costs.

Until a decision has been made with respect to terminating the uneconomic contracts, no provision for any additional liability that may result has been made in these financial statements. It should be appreciated that these conditions result in the existence of a material uncertainty which may cast significant doubt on the ability of certain TrenStar subsidiaries in the United Kingdom, and possibly TrenStar Inc, to continue as going concerns and that they will be able to settle their liabilities in the normal course of business.

Additional information US$

In order to supplement the information provided in the annual financial statements, the following additional information in respect of the year ended 31 December 2006 is provided:

TRENCOR LIMITED AND SUBSIDIARIES

– as virtually all the group's revenue and assets and much of its expenditure are denominated in currencies other than SA rand (principally US dollars and UK pounds).

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

– extracted from the audited annual financial statements (prepared in terms of US GAAP).

Trencor Limited
and subsidiaries
Additional information US$
Unaudited balance sheet at 31 December 2006

	2006 US$M	2005 RESTATED US$M
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	**1 144,2**	1 000,8
INTANGIBLE ASSETS	**19,5**	2,6
GOODWILL	**–**	4,4
OTHER INVESTMENTS	**17,6**	8,8
LONG-TERM RECEIVABLES	**181,6**	196,6
NET INVESTMENT IN FINANCE LEASES	**36,0**	28,6
DERIVATIVE FINANCIAL INSTRUMENTS	**4,2**	4,6
DEFERRED TAX ASSETS	**15,0**	24,0
RESTRICTED BANK BALANCES	**58,7**	34,0
TOTAL NON-CURRENT ASSETS	**1 476,8**	1 304,4
INVENTORIES	**4,5**	4,7
TRADE AND OTHER RECEIVABLES	**90,6**	99,3
CASH AND CASH EQUIVALENTS	**88,3**	78,6
TOTAL CURRENT ASSETS	**183,4**	182,6
TOTAL ASSETS	**1 660,2**	1 487,0
EQUITY		
ISSUED CAPITAL AND PREMIUM	**28,5**	26,4
RESERVES	**309,2**	285,6
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**337,7**	312,0
MINORITY INTEREST	**154,6**	132,0
TOTAL EQUITY	**492,3**	444,0
LIABILITIES		
CONVERTIBLE DEBENTURES	**37,3**	41,3
INTEREST-BEARING BORROWINGS	**831,8**	738,7
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	**37,7**	41,0
SHARE-BASED PAYMENTS	**12,6**	10,3
DERIVATIVE FINANCIAL INSTRUMENTS	**0,6**	0,4
DEFERRED INCOME	**7,6**	4,0
DEFERRED TAX LIABILITIES	**44,2**	47,0
TOTAL NON-CURRENT LIABILITIES	**971,8**	882,7
TRADE AND OTHER PAYABLES	**106,2**	77,0
PROVISIONS	**1,0**	1,0
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	**88,9**	80,2
SHORT-TERM BORROWINGS	**–**	2,1
CURRENT LIABILITIES	**196,1**	160,3
TOTAL LIABILITIES	**1 167,9**	1 043,0
TOTAL EQUITY AND LIABILITIES	**1 660,2**	1 487,0
LIQUIDITY		
RATIO TO AGGREGATE OF TOTAL EQUITY AND CONVERTIBLE DEBENTURES		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**213,5%**	206,4%
INTEREST-BEARING LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**173,8%**	168,7%

Trencor Limited
and subsidiaries
Additional information US$
Unaudited income statement for the year ended 31 December 2006

	2006 US$M	2005 RESTATED US$M
REVENUE	**317,1**	305,6
CONTINUING OPERATIONS		
TRADING PROFIT BEFORE ITEMS LISTED BELOW:	**122,2**	116,3
EXCHANGE GAINS ARISING ON TRANSLATION	**4,0**	12,0
NET LONG-TERM RECEIVABLE FAIR VALUE ADJUSTMENT	**9,0**	9,0
IMPAIRMENT OF PLANT AND EQUIPMENT	**(9,0)**	(0,5)
OPERATING PROFIT BEFORE FINANCE COSTS	**126,2**	136,8
NET FINANCE COSTS	**(48,2)**	(38,1)
FINANCE EXPENSES	**(53,6)**	(43,0)
FINANCE INCOME	**5,4**	4,9
EXCEPTIONAL ITEMS	**(5,4)**	(0,7)
SHARE OF PROFIT OF ASSOCIATE	**0,1**	–
PROFIT BEFORE TAX	**72,7**	98,0
INCOME TAX EXPENSE	**(10,2)**	(12,7)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	**62,5**	85,3
PROFIT FROM DISCONTINUED OPERATIONS	**0,4**	0,8
PROFIT FOR THE YEAR	**62,9**	86,1
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE COMPANY	**36,9**	54,0
MINORITY INTEREST	**26,0**	32,1
PROFIT FOR THE YEAR	**62,9**	86,1
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	**156,5**	155,0
BASIC EARNINGS PER SHARE (US CENTS)		
ENTITY AS A WHOLE	**23,6**	34,8
CONTINUING OPERATIONS	**23,3**	34,3
DISCONTINUED OPERATIONS	**0,3**	0,5
DILUTED EARNINGS PER SHARE (US CENTS)		
ENTITY AS A WHOLE	**20,6**	29,9
CONTINUING OPERATIONS	**20,4**	29,5
DISCONTINUED OPERATIONS	**0,2**	0,4
UNDILUTED HEADLINE EARNINGS PER SHARE (US CENTS)	**27,7**	32,1
DILUTED HEADLINE EARNINGS PER SHARE (US CENTS)	**24,1**	27,6
UNDILUTED ADJUSTED HEADLINE EARNINGS PER SHARE (US CENTS)	**30,8**	35,1
YEAR-END RATE OF EXCHANGE: SA RAND TO US DOLLAR	**6,98**	6,310
AVERAGE RATE OF EXCHANGE FOR THE YEAR: SA RAND TO US DOLLAR	**6,77**	6,325

Textainer Group Holdings Limited and subsidiaries
Additional information US$
Balance sheet at 31 December 2006

	2006 US$M	2005 RESTATED US$M
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	**41,2**	42,2
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL DEBTS OF US$2,3 MILLION AND US$2,2 MILLION IN 2006 AND 2005, RESPECTIVELY	**41,3**	42,2
NET INVESTMENT IN DIRECT FINANCE LEASES	**6,2**	4,4
CONTAINERS HELD FOR RESALE	**4,0**	4,3
PREPAID EXPENSES	**2,0**	2,0
DEFERRED INCOME TAXES, CURRENT	**1,5**	2,5
DUE FROM AFFILIATES, NET	**–**	0,1
TOTAL CURRENT ASSETS	**96,2**	97,7
NON-CURRENT ASSETS		
RESTRICTED CASH	**22,0**	13,4
CONTAINERS, NET	**763,6**	722,6
NET INVESTMENT IN DIRECT FINANCE LEASES	**36,0**	28,6
FIXED ASSETS, NET	**1,3**	1,7
INTANGIBLE ASSETS, NET	**18,0**	–
DERIVATIVE INSTRUMENTS	**4,0**	4,6
OTHER ASSETS	**4,2**	4,3
TOTAL ASSETS	**945,3**	872,9
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	**25,7**	28,5
CONTAINER CONTRACTS PAYABLE	**32,9**	2,6
DAMAGE PROTECTION PLAN REPAIR COST RESERVE	**8,6**	8,2
DUE TO OWNERS, NET	**6,6**	6,0
BONDS PAYABLE	**58,0**	58,0
TOTAL CURRENT LIABILITIES	**131,8**	103,3
NON-CURRENT LIABILITIES		
SECURED DEBT FACILITY	**53,0**	–
BONDS PAYABLE	**430,2**	488,2
DEFERRED INCOME TAXES, LONG-TERM	**11,8**	11,7
TOTAL LIABILITIES	**626,8**	603,2
MINORITY INTEREST	**82,8**	63,8
STOCKHOLDERS' EQUITY	**235,7**	205,9
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**945,3**	872,9

Textainer Group Holdings Limited
and subsidiaries
Additional information US$
Income statement for the year ended 31 December 2006

	2006 US$M	2005 US$M
REVENUES		
LEASE RENTAL INCOME	**186,1**	188,9
MANAGEMENT FEES	**16,2**	15,5
TRADING CONTAINER SALES PROCEEDS	**14,1**	16,0
GAIN ON SALE OF CONTAINERS, NET	**9,6**	10,5
OTHER	**0,5**	3,5
TOTAL REVENUES	**226,5**	234,4
OPERATING EXPENSES		
DIRECT CONTAINER EXPENSE	**30,2**	26,2
COST OF TRADING CONTAINERS SOLD	**11,5**	12,9
DEPRECIATION EXPENSE	**54,3**	60,9
AMORTISATION EXPENSE	**1,0**	–
GENERAL AND ADMINISTRATIVE EXPENSE	**21,5**	21,8
TOTAL OPERATING EXPENSES	**118,5**	121,8
INCOME FROM OPERATIONS	**108,0**	112,6
OTHER (EXPENSE)/INCOME	**(28,3)**	(24,5)
INTEREST EXPENSE	**(33,1)**	(27,5)
INTEREST INCOME	**2,3**	1,1
REALISED AND UNREALISED GAINS ON DERIVATIVE INSTRUMENTS, NET	**2,3**	4,5
OTHER, NET	**0,2**	(2,6)
INCOME BEFORE INCOME TAX AND MINORITY INTEREST	**79,7**	88,1
INCOME TAX EXPENSE	**(4,3)**	(4,7)
MINORITY INTEREST EXPENSE	**(19,1)**	(21,6)
NET INCOME	**56,3**	61,8

Corporate information

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
PO BOX 61051 MARSHALLTOWN 2107
TEL 011 370 5000 FAX 011 688 7721
CALL CENTRE 0861 100 950 (WITHIN RSA)
OR +27 11 370 5000 (OUTSIDE RSA)
http://www.computershare.com

AUDITORS
KPMG INC
MSC HOUSE
1 MEDITERRANEAN STREET
FORESHORE CAPE TOWN 8001
PO BOX 4609 CAPE TOWN 8000

ATTORNEYS
EDWARD NATHAN SONNENBERGS

SPONSORS
RAND MERCHANT BANK (A DIVISION OF FIRSTRAND 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 2006

	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	46,1	1	0,3	13 730 780	48,0
BANKS AND INSURANCE COMPANIES	44	3,4	14 661 710	9,3	4	1,2	5 745 917	20,1
INDIVIDUALS	731	56,7	2 591 536	1,6	184	57,0	867 834	3,0
INVESTMENT COMPANIES	12	0,9	1 050 300	0,7	1	0,3	110 000	0,4
MUTUAL FUNDS	118	9,2	41 214 998	26,0	32	9,9	4 883 274	17,1
NOMINEE COMPANIES OR TRUSTS	200	15,5	2 115 950	1,3	71	22,0	925 260	3,2
OTHER CORPORATE BODIES	78	6,1	1 656 477	1,0	22	6,8	1 123 624	3,9
RETIREMENT FUNDS	105	8,1	22 165 893	14,0	8	2,5	1 240 111	4,3
TOTAL	1 289	100,0	158 421 842	100,0	323	100,0	28 626 800	100,0
SHAREHOLDER SPREAD								
PUBLIC SHAREHOLDERS	1 284	99,6	85 170 256	53,7	321	99,4	9 404 072	32,9
NON-PUBLIC SHAREHOLDERS	5	0,4	73 251 586	46,3	2	0,6	19 222 728	67,1
DIRECTORS AND ASSOCIATES	4	0,3	286 608	0,2	–	–	–	–
PERSONS INTERESTED, DIRECTLY OR INDIRECTLY, IN 10% OR MORE	–	–	–	–	1	0,3	5 491 948	19,1
MOBILE INDUSTRIES	1	0,1	72 964 978	46,1	1	0,3	13 730 780	48,0
TOTAL	1 289	100,0	158 421 842	100,0	323	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 2006 were as follows:

	SHARES			6% CONVERTIBLE DEBENTURES	
	DIRECT	INDIRECT THROUGH MOBILE		DIRECT	INDIRECT THROUGH MOBILE
	ORDINARY %	ORDINARY %	'N' ORDINARY %	%	%
OLD MUTUAL GROUP	11,7		9,9	19,8	14,6
NEDCOR GROUP	7,3				
PUBLIC INVESTMENT CORPORATION	5,0				
CORONATION GROUP		7,0			
	24,0	7,0	9,9	19,8	14,6
MOBILE INDUSTRIES	46,1			48,0	
	70,1			67,8	

Directorate: Brief résumés

EXECUTIVE

NEIL IAN JOWELL (73)

B Com LLB (UCT) MBA (Columbia). Chairman of the board and of the executive committee. He is the elder son of Trencor'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 (62)

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

HENDRIK (HENNIE) ROUX VAN DER MERWE (59)

BA Law LLB (Stellenbosch) LLM (Tax) (Wits). Managing director responsible for corporate affairs and the TrenStar companies. Member of the executive committee. He joined Trencor 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 Trencor.

NON-EXECUTIVE

CECIL JOWELL (71)

B Com LLB (UCT). The younger son of the company's founder, he joined Trencor 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 (79)

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 (67)

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 Trencor's audit committee.

DAVID MORRIS NUREK (56)

Dip Law (UCT) Grad Dip Company Law (UCT) is an executive of Investec Bank Ltd. He was appointed as an alternate director of Trencor 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 (49)

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 and now serves as the Chief Executive Officer of the Stonehage Group's operations in South Africa. He is a director of various listed and unlisted companies in a non-executive capacity and serves as a trustee of various trusts.

AGES AT 31 DECEMBER 2006

Diary

	23 MAY 2007: 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	25 MAY 2007: CONVERSION OF EACH DEBENTURE INTO ONE ORDINARY SHARE

Notice to shareholders

Notice is hereby given that the fifty-first 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, 23 May 2007 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 2006.
2. To consider, and if deemed fit, to re-elect, on an individual basis, Messrs N I Jowell, E Oblowitz and H R van der Merwe 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 8 884 209 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 2006, 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 1 and 68 respectively;
- the major shareholders of the company on page 68;
- the directors' interests in securities in the company on page 13; and
- the share capital of the company in note 18 on page 38, and an analysis of the shareholders on page 68.

There have been 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 have or have had, a material affect on the financial position of the group between 29 March 2006 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 Securities 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 30 MARCH 2007

TRENCOR

TRENCOR LIMITED ANNUAL GENERAL MEETING 23 MAY 2007

Form of proxy

(INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)
(REGISTRATION NUMBER 1955/002869/06)
('THE COMPANY')
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, 23 May 2007 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'). Generally, you will not be an own name dematerialised shareholder unless you have specifically requested the CSDP to record you as the holder of the shares in your own name in the company's sub-register.

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 2004 (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 ( ) HOME ( )

BEING A MEMBER(S) OF THE COMPANY, HOLDING 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 (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

		FOR	AGAINST	ABSTAIN
1. Approval of the adoption of annual financial statements.				
2. Re-election of directors:	N I JOWELL			
	E OBLOWITZ			
	H R VAN DER MERWE			
3. Placing the 8 884 209 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 2006 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 2007

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, 22 May 2007).
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).