



TRENCOR LIMITED 2010
(Incorporated in the Republic of South Africa – Registration No 1955/002869/06)

To meet the many requirements of regulatory authorities, annual reports have become lengthy, complex and very technical. To provide a convenient overview of the 2010 annual report of Trencor, this insert contains highlights from that report. It is not in substitution of the report, nor does it form part thereof. For a fully detailed appreciation of the company's activities and results, you are advised to read the annual report.

Group chart

| | | |
|----------------|--------------------|--|
| Trencor | | Investment holding company listed on the JSE |
| 61,6%* | Textainer | Listed on the New York Stock Exchange, the Textainer group owns, leases, manages and resells marine cargo containers worldwide |
| 100% | Trencor Services | Corporate administration and financing |
| 100% | Trencor Containers | Collection of long-term receivables |
| 44,3% | TAC | Owning of marine cargo containers |

* Reduced to 60,9% subsequent to the year-end following the issue of restricted share units

Highlights

Group

- **Trading profit** from continuing operations after net financing costs (but excluding gains on early extinguishment of debt in Textainer in 2009) increased by 28% from R781 million in 2009 to R1 002 million.
- The net long-term receivable valuation adjustment was reduced by R189 million following the significantly improved outlook for collections as a result of the currently very strong container leasing market. This increased earnings by 72 cents per share.
- **Headline earnings per share** which includes net unrealised foreign exchange losses and gains were 335,5 cents (2009: 134,8 cents).
- **Adjusted headline earnings per share**, which excludes net unrealised foreign exchange losses and gains and excludes gains realised in 2009 by Textainer on the repurchase of portion of its own debt, at 369,4 cents (2009: 203,5 cents), were up by 81%.
- Net realised and unrealised foreign exchange losses arising on translation of net dollar receivables and the related valuation adjustments, not included in adjusted headline earnings per share, were R89 million or 34 cents per share (2009: loss R298 million or 115 cents per share).
- The different earnings are better reflected in tabular form:

| | 2010 | 2009 |
|--|------------------------|-----------------|
| | Cents per share | Cents per share |
| Headline earnings | 335,5 | 134,8 |
| Add: | | |
| Unrealised foreign exchange translation losses | 33,9 | 114,6 |
| | 369,4 | 249,4 |
| Deduct: | | |
| Gain realised on the repurchase of debt by Textainer | - | (45,9) |
| Adjusted headline earnings | 369,4 | 203,5 |

- Consolidated gearing ratio at 31 December 2010 was 98% (2009: 88%). All of the interest-bearing debt is in Textainer.
- Final dividend of 100 cents per share declared, making a total of 140 cents per share for the year (2009: total 120 cents per share), an increase of 17% over the previous year.
- Trencor implemented the specific share repurchase of 10 800 881 shares at R38,61 per share on 14 March 2011.

Textainer

- Profit attributable to shareholders for the year was US\$128,0 million (2009: US\$92,0 million including gains on repurchase of debt amounting to US\$15,3 million); profit in 2010 included a reversal of certain taxation provisions amounting to US\$11,1 million (2009: nil) no longer required under IFRS following the conclusion of an audit by the IRS.
- Current fleet utilisation was 99,0% at the end of March 2011 compared to 91,6% a year ago.
- Purchased a total of 214 000 TEU (twenty foot equivalent units) of new equipment in 2010 representing a total of US\$503,7 million in capital expenditure.
- Increased the owned portion of the total fleet to 51% as at 31 December 2010 from 45% in 2009.

Prospects*

Textainer's fleet utilisation remains in the high nineties. In these conditions the large expenditure on fleet expansion in 2010 should make a meaningful contribution to Textainer's earnings in 2011. Thus the outlook for 2011 for Trencor and Textainer is promising.

* The financial information on which the above forecast is based has not been reviewed and reported on by Trencor's external auditors.

Condensed financial statements

As virtually all of the group's revenue and assets and much of its expenditure are denominated in currencies other than rand (principally US dollars), condensed consolidated income statements and condensed consolidated statements of financial position are also presented in US dollars in order to provide a fuller appreciation of the group's results and financial position. The rand values have been extracted from the audited financial statements. The dollar statements have not been audited.

Condensed income statements for the year ended 31 December 2010

| | 2010 Rm | 2009 Rm | 2010 US\$m | 2009 US\$m |
|--|--------------|------------|---------------|---------------|
| Continuing operations: | | | | |
| Trading profit from continuing operations before items listed below | 1 226 | 885 | 167 | 106 |
| Exchange losses | (149) | (442) | (4) | (6) |
| Net long-term receivable fair value adjustment | 250 | 130 | 29 | (4) |
| Other | (12) | (9) | (1) | (1) |
| Profit from operating activities | 1 315 | 564 | 191 | 95 |
| Net finance (expenses)/income | (224) | 71 | (31) | 7 |
| Profit before tax | 1 091 | 635 | 160 | 102 |
| Profit after tax | 1 082 | 667 | 155 | 98 |
| Net profit for the year attributable to equity holders of the company | 624 | 259 | 93 | 50 |
| Basic earnings per share (cents) – continuing operations | 332,5 | 134,7 | 49,5 | 26,1 |
| Headline earnings per share (cents) | 335,5 | 134,8 | 49,9 | 26,0 |
| Adjusted headline earnings per share (cents) | 369,4 | 203,5 | 51,5 | 23,2 |
| Year-end rate of exchange: SA rand to US dollar | 6,61 | 7,35 | 6,61 | 7,35 |

Condensed statements of financial position as at 31 December 2010

| | 2010 Rm | 2009 Rm | 2010 US\$m | 2009 US\$m |
|--|---------------|------------|---------------|---------------|
| Assets | | | | |
| Property, plant and equipment | 9 604 | 7 858 | 1 453 | 1 069 |
| Long-term receivables | 828 | 838 | 125 | 114 |
| Other non-current assets | 925 | 1 366 | 140 | 186 |
| Current assets | 2 007 | 1 893 | 304 | 258 |
| Total assets | 13 364 | 11 955 | 2 022 | 1 627 |
| Equity and liabilities | | | | |
| Total equity | 5 951 | 5 746 | 900 | 782 |
| Interest-bearing borrowings | 5 475 | 4 538 | 828 | 617 |
| Other non-current liabilities | 556 | 583 | 85 | 80 |
| Current liabilities | 1 382 | 1 088 | 209 | 148 |
| Total equity and liabilities | 13 364 | 11 955 | 2 022 | 1 627 |
| Net asset value per share (cents) | 2 078 | 2 049 | 314 | 279 |
| Ratio to total equity: Interest-bearing borrowings | 98% | 88% | 98% | 88% |

Profit attributable to equity holders of the company from the various classes of business

for the year ended 31 December 2010

| | 2010 Rm | 2009 Rm |
|-------------------------------------|------------|------------|
| Container operations | | |
| Container finance | 17 | 19 |
| Textainer | 581 | 486 |
| Exchange translation losses | (63) | (215) |
| Net long-term receivable adjustment | 136 | (10) |
| Interest and other corporate items | (47) | (27) |
| Discontinued operations | - | 6 |
| | 624 | 259 |

Analysis of shareholders at 25 March 2011

(after the unbundling by Mobile of its interest in Trenchor and the specific share repurchase by Trenchor)

| | Number of holders | % holding |
|------------------|----------------------|-----------|
| Corporates | 398 | 61 |
| Retirement funds | 128 | 26 |
| Individuals | 2 381 | 11 |
| Other | 369 | 2 |
| Total | 3 276 | 100 |

Share information

Share code: TRE

ISIN: ZAE000007506

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

| Price (cents) | 2010 | 2009 |
|---------------|------|------|
| High | 4000 | 2700 |
| Low | 2625 | 1500 |
| Close | 3200 | 2625 |

Annual general meeting

The annual general meeting will be held on Thursday, 30 June 2011 at 15:00 at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

Directors

Executive: N I Jowell ^{1 4} (Chairman) C Jowell ^{1 4} J E McQueen ¹ H R van der Merwe ¹

Non-executive: J E Hoelter ^{2 5} (USA)

Independent non-executive: D M Nurek (Lead) ^{2 3 4 5 6} E Oblowitz ^{2 5} R J A Sparks ^{2 3 4 5 6} H Wessels

¹ Executive Committee ² Audit Committee ³ Remuneration Committee ⁴ Nomination Committee ⁵ Risk Committee ⁶ Governance Committee

On behalf of the board

N I Jowell Chairman

J E McQueen Financial Director

29 April 2011

www.trenchor.net