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TRENCOR LIMITED 2014

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

To meet the many requirements of regulatory authorities, integrated annual reports have become lengthy, complex and very technical. To provide a convenient overview of the 2014 integrated 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 integrated annual report.

## Group chart

<b>Trencor</b>	Investment holding company listed on the JSE
48,0% <sup>1</sup> <sup>2</sup> Textainer	Listed on the New York Stock Exchange, the Textainer group owns, leases, manages and trades marine cargo containers worldwide
44,3% <sup>2</sup> TAC	Owning of marine cargo containers
100% Trencor Services	Corporate administration and financing
100% Trencor Containers	Collection of long-term receivables

<sup>1</sup> Reduced to 47,9% subsequent to the year-end following the issue by Textainer of restricted share units.

<sup>2</sup> Indirect beneficiary interests through Halco Holdings Inc under the Halco Trust.

## Highlights

### Group

- **Trading profit** after net financing costs decreased by 1% from R2 038 million in 2013 to R2 021 million.
- **Headline earnings per share** (including the effect of net realised and unrealised foreign exchange translation gains) were 546,6 cents (2013: 792,6 cents).
- **Adjusted headline earnings per share** (which excludes the effect of net unrealised foreign exchange translation gains and in 2013 the gain arising from the modification of certain borrowing terms) were 519,4 cents (2013: 630,7 cents). Adjusted headline earnings in 2013 included 82,9 cents in respect of the value of the option held by Halco to acquire additional shares in TAC.
- Net unrealised foreign exchange gains arising on translation of net dollar receivables and the related valuation adjustments, not included in adjusted headline earnings, were R67 million or 27,2 cents per share (2013: R159 million or 64,7 cents per share).
- These various earnings are better reflected in tabular form:

	2014 Cents per share	2013 Cents per share
<b>Basic earnings per share</b>	<b>542,0</b>	785,7
<b>Headline earnings per share ('HEPS')</b>	<b>546,6</b>	792,6
Deduct:		
Once-off gain on modification of debt terms	–	97,2
Net unrealised foreign exchange translation gains	<b>27,2</b>	64,7
<b>Adjusted HEPS (including the value of the TAC option held by Halco)</b>	<b>519,4</b>	630,7
Deduct once-off gain on value of the TAC option	–	82,9
<b>Adjusted HEPS (excluding the value of the TAC option)</b>	<b>519,4</b>	547,8

- Consolidated gearing ratio at 31 December 2014 was 204% (2013: 198%).
- Based on the spot exchange rate of US\$1 = R11,54 and the price of Textainer's shares listed on the NYSE on 31 December 2014 (US\$34,32), the consolidated net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	<b>10 803,8</b>	<b>61,01</b>
Net beneficiary interest in TAC	<b>466,3</b>	<b>2,63</b>
Net interest in long-term receivables	<b>564,7</b>	<b>3,19</b>
Cash	<b>1 785,3</b>	<b>10,08</b>
Net liabilities	<b>(113,3)</b>	<b>(0,64)</b>
	<b>13 506,8</b>	<b>76,27</b>

- Final dividend of 195 cents per share declared, making a total of 267 cents per share for the year (2013: total 230 cents per share), an increase of 16% over the previous year.

## Textainer: 47,97% beneficiary interest at 31 December 2014 (2013: 48,3%)

- Net profit for the year in US GAAP was US\$189,4 million (2013: US\$182,8 million). Adjusted to conform with International Financial Reporting Standards, Textainer's net profit was US\$171,1 million (2013: US\$186,2 million).
- Average fleet utilisation for the year was 96,1%, compared with 94,9% for 2013. Utilisation at 13 March 2015 was 97,5%, up 3,4% since the beginning of 2014.
- Total expenditure for both the owned and managed fleets was US\$864 million for the year, used to purchase 449 000 TEU of new, purchase leaseback and previously managed containers.
- At 31 December 2014, Textainer owned 78,9% of the total fleet of 3 233 364 TEU; at 31 December 2013, it owned 75,6% of the then fleet of 3 040 454 TEU.
- Declared dividends totalling US\$1,88 per share in 2014 (2013: US\$1,85 per share).
- Textainer's results may be viewed on its website [www.textainer.com](http://www.textainer.com).

## Condensed financial statements

As virtually all of the consolidated revenue and assets and much of the expenditure are denominated in 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 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 2014

	2014 Rm	2013 Rm	2014 US\$m	2013 US\$m
Trading profit from continuing operations before items listed below	3 063	2 855	284	295
Foreign exchange gains on translation of long-term receivables	98	226	-	-
Fair value adjustment on net long-term receivable	(36)	(49)	1	4
Other	(18)	89	(2)	9
<b>Operating profit before net finance expenses</b>	<b>3 107</b>	<b>3 121</b>	<b>283</b>	<b>308</b>
Net finance expenses	(1 042)	(817)	(96)	(84)
Share of profit of equity accounted investees	4	182	-	18
Profit before tax	2 069	2 486	187	242
Profit after tax	2 047	2 403	186	237
<b>Net profit for the year attributable to equity holders of the company</b>	<b>960</b>	<b>1 391</b>	<b>85</b>	<b>133</b>
Basic earnings per share (cents)	542,0	785,7	48,1	74,9
Headline earnings per share (cents)	546,6	792,6	48,5	75,6
Adjusted headline earnings per share (cents)	519,4	630,7	48,2	64,5
Year-end rate of exchange: SA rand to US dollar	11,54	10,46	11,54	10,46
Average rate of exchange for the year: SA rand to US dollar	10,78	9,67	10,78	9,67

### Condensed statements of financial position at 31 December 2014

	2014 Rm	2013 Rm	2014 US\$m	2013 US\$m
<b>Assets</b>				
Property, plant and equipment	44 911	36 505	3 892	3 490
Long-term receivables	498	637	43	61
Other non-current assets	2 792	2 390	242	229
Current assets	5 728	5 096	496	487
<b>Total assets</b>	<b>53 929</b>	<b>44 628</b>	<b>4 673</b>	<b>4 267</b>
<b>Equity and liabilities</b>				
Total equity	17 221	14 559	1 492	1 392
Interest-bearing borrowings	31 976	26 936	2 771	2 575
Other non-current liabilities	373	480	32	46
Current liabilities	4 359	2 653	378	254
<b>Total equity and liabilities</b>	<b>53 929</b>	<b>44 628</b>	<b>4 673</b>	<b>4 267</b>
Net asset value per share (cents)	5 324	4 469	454	427
Ratio of interest-bearing borrowings to total equity	204%	198%	204%	198%

**Profit attributable to equity holders of the company from the various classes of businesses**  
for the year ended 31 December 2014

	<b>2014</b>	2013
	<b>Rm</b>	Rm
Container operations		
Container finance	<b>9</b>	23
Textainer/TAC	<b>932</b>	1 113
Exchange translation gains	<b>52</b>	121
Net long-term receivable adjustment	<b>(7)</b>	6
Interest and other corporate items	<b>(26)</b>	128
	<b>960</b>	1 391

**Analysis of shareholders** at 24 December 2014

	<b>Number</b>	%
	<b>of holders</b>	<b>holding</b>
Corporates	<b>693</b>	<b>60</b>
Retirement funds	<b>244</b>	<b>28</b>
Individuals	<b>3 744</b>	<b>10</b>
Other	<b>635</b>	<b>2</b>
Total	<b>5 316</b>	<b>100</b>

**Share information**

Share code: TRE

ISIN: ZAE000007506

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

Price (cents)	<b>2014</b>	2013
High	<b>8 473</b>	7 989
Low	<b>6 150</b>	5 310
Close	<b>7 040</b>	6 900

**Annual general meeting**

The annual general meeting will be held on Tuesday, 9 June 2015 at 15:00 at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

**Directors**

Executive: N I Jowell <sup>1</sup> (Chairman) C Jowell <sup>1 7</sup> J E McQueen <sup>1 7</sup> H R van der Merwe <sup>1</sup>

Non-Executive: J E Hoelter <sup>5</sup> (USA)

Independent Non-Executive: D M Nurek (Lead) <sup>3 4 5 6 7</sup> E Oblowitz <sup>2 5</sup> R J A Sparks <sup>2 3 4 5 6</sup> H Wessels <sup>2 4 5 6</sup>

<sup>1</sup> Executive Committee <sup>2</sup> Audit Committee <sup>3</sup> Remuneration Committee <sup>4</sup> Nomination Committee

<sup>5</sup> Risk Committee <sup>6</sup> Governance Committee <sup>7</sup> Social and Ethics Committee

**On behalf of the board**

N I Jowell            Chairman  
J E McQueen        Financial Director

29 April 2015

www.trencor.net