

# Directors' Report

## GENERAL REVIEW

The nature of the company's interests is described on page 3. The financial results are reflected in the financial statements on pages 29 to 76.

The (loss)/profit attributable to equity holders of the company from the various classes of businesses was as follows:

	Restated	
	2015 Rm	2014 Rm
Container operations		
Container finance	62	9
Textainer/TAC	(341)	934
Exchange translation gains	134	52
Net long-term receivable adjustment	11	(7)
Interest and other corporate items	(12)	(26)
	<b>(146)</b>	962

## DIRECTORS AND SECRETARY

The names of the directors appear on page 2 and that of the secretary on page 88.

As announced on 25 February 2016, at the forthcoming annual general and with effect therefrom:

- Mr NI Jowell will retire by rotation, but will not make himself available for re-election and, accordingly, will retire as chairman and executive director;
- Mr C Jowell will retire as an executive director; and
- Mr DM Nurek, currently lead independent non-executive director, will be appointed as independent non-executive chairman in accordance with the board's succession plans.

With effect from 1 March 2016, Mr JE McQueen (previously financial director) was appointed as chief executive officer and Mr RA Sieni CA(SA) (previously financial manager) was appointed as financial director in the place of Mr JE McQueen. Mr Sieni was also appointed to the executive committee.

In terms of the memorandum of incorporation Messrs NI Jowell, E Obowitz and RJA Sparks retire by rotation at the forthcoming annual general meeting and Mr RA Sieni, who was appointed as a director effective 1 March 2016, also retires. These retiring directors, save for Mr NI Jowell, are eligible and offer themselves for re-election.

Brief résumés of the directors are presented on page 78.

## DIRECTORS' INTERESTS

The aggregate of the direct and indirect beneficial interests of the directors in the issued shares of the company at 31 December 2015 was 6,4% (2014: 6,4%).

The direct and indirect beneficial interests of each director who held in excess of 1% of the issued shares at 31 December 2015 and 2014 were as follows:

	2015 %	2014 %
C Jowell	3,1	3,1
NI Jowell	3,2	3,2

Between 19 March and 9 April 2015, Mr NI Jowell acquired an additional 86 200 shares for an aggregate consideration of R5 million, thereby increasing his indirect beneficial interest by 0,05%.

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

## CASH DIVIDENDS

	Payment number	Record date	Payment date	Cents per share (gross)	Total Rm
<b>2014</b>					
Interim	98	12/09/14	15/09/14	72	128
Final	99	27/03/15	30/03/15	195	345
<b>2015</b>					
Interim	100	11/09/15	14/09/15	80	142
Final	101	27/05/16	30/05/16	220	389

## REPORTING RESULTS OF TEXTAINER AND TAC UNDER IFRS

The results of Textainer and TAC, reporting under US GAAP, are converted to IFRS for inclusion in the results of Trencor, which is required to report under IFRS. Historically, limited adjustments were necessary in so converting from US GAAP to IFRS. However, in the year to 31 December 2015 a decline in market conditions meant that differences in accounting treatment between US GAAP and IFRS, in the areas of impairment testing and a revision of the residual values of the container fleets, caused significant differences in financial results reported under the respective accounting conventions. The complex and time-consuming calculations required to make the necessary IFRS adjustments, at each reporting period, for the large owned container fleets resulted in a delay in the issuance of these results and may continue to do so in the future.

## INTEREST IN SIGNIFICANT SUBSIDIARIES

	Currency	Share capital and premium	Effective interest		Shares at cost		Amount owing to company	
			2015 %	2014 %	2015 Rm	2014 Rm	2015 Rm	2014 Rm
<b>Indirect beneficiary:</b>								
Textainer Group Holdings Limited <sup>1</sup> (Incorporated in Bermuda) Owning, leasing, managing and trading of marine cargo containers	US\$m	360	<b>48,3</b> <sup>2</sup>	48,0	-	-	-	-
TAC Limited <sup>1</sup> (Incorporated in Bermuda) Owning of marine cargo containers	US\$000	69	<b>100</b>	44,3	-	-	-	-
Halco Holdings Inc <sup>1</sup> (Incorporated in the British Virgin Islands) Shareholder in Textainer and TAC	US\$	500	<b>100</b>	100	-	-	-	-
<b>Indirect:</b>								
Leasecon International Inc (Incorporated in the British Virgin Islands) Container financing	US\$	500	<b>100</b>	100	-	-	-	-
<b>Direct:</b>								
Trencor Container Holdings Proprietary Limited (Incorporated in the Republic of South Africa) Collection of long-term receivables	Rm	4	<b>100</b>	100	<b>51</b>	51	-	-
Trencor Services Proprietary Limited (Incorporated in the Republic of South Africa) Corporate administration and financing	Rm	1 012	<b>100</b>	100	<b>1 017</b>	1 017	<b>(842)</b>	(768)
<b>Aggregate of all other subsidiaries</b>					<b>1 068</b>	1 068	<b>(842)</b>	(768)
					<b>353</b>	353	-	-
					<b>1 421</b>	1 421	<b>(842)</b>	(768)
<b>Less impairment loss</b>					<b>(351)</b>	(351)	-	-
					<b>1 070</b>	1 070	<b>(842)</b>	(768)

<sup>1</sup> 48,3% of the issued shares of Textainer and 100% of the shares in TAC at 31 December 2015 were owned by Halco Holdings Inc ('Halco'). Halco is wholly-owned by the Halco Trust, a trust resident in Liechtenstein. Trencor and certain of its wholly-owned South African subsidiaries are the nominated sole beneficiaries of the Halco Trust. The protectors of the Halco Trust are Messrs JE McQueen, DM Nurek and E Oblowitz.

<sup>2</sup> Further reduced to 48,2% subsequent to the year-end following the issue of restricted share units.

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:

		Restated
	2015 Rm	2014 Rm
Profits	<b>230</b>	980
Losses	<b>(369)</b>	(3)
	<b>(139)</b>	977

## SPECIAL RESOLUTIONS

At the annual general meeting held on 9 June 2015, shareholders passed special resolutions to approve the following:

- The provision of financial assistance, as contemplated in section 45 of the Companies Act, by the company to related or inter-related companies and others.
- The non-executive directors' remuneration, in their capacities as directors of the company, from 1 July 2015 until the next annual general meeting of the company.

- General authority granted to the company for the acquisition by the company or any of its subsidiaries of shares issued by the company. This 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 15 months from the date of passing of the resolution.

## SPECIAL RESOLUTIONS OF SUBSIDIARIES

During the period under review, no special resolutions were passed by the company's South African subsidiaries and no shareholder resolutions of material interest were passed by the company's non-South African subsidiaries.

## ANALYSIS OF SHAREHOLDERS

An analysis of shareholders and of holders who held 5% or more of the issued shares at 31 December 2015 is presented on page 77.