

## TRADING PROFIT after net interest expense +27%

### ADJUSTED HEPS +18% • FULL YEAR DIVIDEND +37,5%

#### Commentary

**TRENCOR: GROUP**

- **Trading profit** from continuing operations after net financing costs (but excluding unrealised losses on derivative instruments in Textainer) increased by 27% from R733 million in 2007 to R932 million. After accounting for these unrealised losses, the increase was 20% from R675 million in 2007 to R810 million in 2008. These gains or losses are non-cash, non-operating items and Textainer intends to hold its interest rate swaps until maturity. Over the life of an interest rate swap held to maturity the unrealised gains or losses will net to zero.
- **Headline earnings per share** which includes net unrealised foreign exchange gains and losses as well as the group's attributable share of unrealised losses on interest rate swaps in Textainer were 384,4 cents (2007: 212,9 cents).
- **Adjusted headline earnings per share**, which *excludes* net unrealised foreign exchange gains and losses and *includes* net gains and losses arising from the ongoing disposals of containers from Textainer's leasing fleet, were 251,9 cents (2007: 214,0 cents).
- Net realised and unrealised foreign exchange gains arising on translation of net dollar receivables and the related valuation adjustments, not included in adjusted headline earnings per share, were R439 million or 169 cents per share (2007: loss R29 million or 11 cents per share).
- Consolidated gearing ratio at 31 December 2008 was 101% (2007: 92%). All of the interest-bearing debt is in Textainer, with no recourse to Trencor.
- Final dividend of 75 cents per share declared, making a total of 110 cents per share for the year (2007: total 80 cents per share), an increase of 37,5% over the previous year.

**TEXTAINER: 62,6% interest**

- Net profit for the year excluding net unrealised losses on interest rate swaps was US\$99,8 million, a 38% increase over the US\$72,2 earned in 2007. Net profit for the year was US\$87,7 million (2007: US\$66,6 million). Unrealised gains and losses on these interest rate swaps net out to zero over a period of time, if held to maturity, and have no effect on cash flow.
- While the overall demand for containers started to decline in the fourth quarter, utilisation of the fleet under management averaged 95,7% during the quarter and 94,8% for the year (average for 2007: 93,9%).
- The container resale division had the best year in its history. Full year resale profit before tax of US\$14,3 million exceeded last year's record results by US\$4,0 million, or 38%.

#### Condensed consolidated income statements for the year ended 31 December 2008

R Million	Trencor		Mobile	
	Reviewed 2008	Audited 2007	Reviewed 2008	Audited 2007
Revenue (including exchange differences) (Note 2)	2 804,1	1 697,9	0,9	0,8
Continuing operations				
Trading profit/(loss)	1 142,5	922,8	(0,9)	(0,9)
Realised and unrealised exchange gains/(losses) on translation of long-term receivables, included in revenue, excluding fair value adjustment	630,1	(46,0)		
Net long-term receivable fair value adjustment	(179,2)	78,3		
Impairment of goodwill	(134,5)	–		
Impairment of plant and equipment	(4,4)	(4,0)		
Other			(0,6)	(1,3)
Profit/(Loss) from operations	1 454,5	951,1	(1,5)	(2,2)
Net finance costs (Note 4)	(332,9)	(247,7)		
Finance expense – Interest expense	(211,1)	(260,3)		
– Losses on derivative financial instruments	(171,3)	(35,6)		
Finance income	49,5	48,2		
Share of profit of associate			306,6	305,6
Exceptional item (Note 5)	–	197,3		
Profit before tax	1 121,6	900,7	305,1	303,4
Income tax expense	(124,7)	(73,4)	(0,1)	(0,2)
Profit after tax from continuing operations	996,9	827,3	305,0	303,2
Discontinued operations				
(Loss)/Profit for the year from discontinued operations (net of income tax) (Note 3)	(81,4)	132,6		
Profit for the year	915,5	959,9	305,0	303,2
Attributable to:				
Equity holders of the company	662,6	659,9	305,0	303,2
Minority interest	252,9	300,0		
	915,5	959,9	305,0	303,2
Number of shares in issue (million)	187,4	187,3	1 068,0	1 068,0
Weighted average number of shares in issue (million)	187,3	187,2	1 068,0	1 068,0
Basic earnings/(loss) per share (cents)				
Entity as a whole	353,8	352,5		
Continuing operations	379,2	302,2	28,6	28,4
Discontinued operations	(25,4)	50,3		
Diluted earnings/(loss) per share (cents)				
Entity as a whole	353,2	351,8		
Continuing operations	378,6	301,6	28,6	28,4
Discontinued operations	(25,4)	50,2		
Year-end rate of exchange: SA rand to US dollar	9,27	6,78		
Average rate of exchange for year: SA rand to US dollar	8,12	7,02		

#### Condensed consolidated statements of cash flows for the year ended 31 December 2008

R Million	Trencor		Mobile	
	Reviewed 2008	Audited 2007	Reviewed 2008	Audited 2007
Cash generated from/(utilised by) operations	1 274,3	1 279,0	(2,0)	(1,0)
Finance income received	49,5	52,1	0,9	0,8
Dividends received			80,6	46,1
Finance expenses paid	(259,7)	(340,5)		
Dividends paid to equity holders of the company	(174,2)	(99,8)	(80,1)	(45,6)
Dividends paid to minorities	(132,1)	(99,1)		
Taxation paid	(68,6)	(35,4)	(0,5)	(0,6)
Net cash inflow/(outflow) from operating activities	689,2	756,3	(1,1)	(0,3)
Cash outflow from investing activities	(1 624,9)	(1 603,0)	(0,2)	–
Cash inflow/(outflow) from financing activities	1 357,4	1 058,9	–	(1,4)
Net increase/(decrease) in cash and cash equivalents before exchange rate changes	421,7	212,2	(1,3)	(1,7)
Net cash and cash equivalents at the beginning of the year	808,2	616,1	9,3	11,0
Effects of exchange rate changes on cash and cash equivalents	296,0	(20,1)		
Net cash and cash equivalents at the end of the year	1 525,9	808,2	8,0	9,3

#### Declaration of cash dividends

Cash dividends in respect of the year ended 31 December 2008 have been declared as follows:

TRENCOR	NO 86	75,0 CENTS PER SHARE
MOBILE	NO 71	6,05 CENTS PER SHARE

The salient dates pertaining to the cash dividend payments are as follows:

Last day to trade cum the dividend	Friday, 27 March 2009
Trading commences ex the dividend	Monday, 30 March 2009
Record date	Friday, 3 April 2009
Payment date	Monday, 6 April 2009

Share certificates may not be dematerialised or rematerialised between Monday, 30 March 2009 and Friday, 3 April 2009, both days inclusive.

#### Review opinion

These results, other than the figures stated in US dollars, have been reviewed by the independent auditors KPMG Inc, and their unmodified review reports are available for inspection at the registered office.

**ON BEHALF OF THE BOARDS**

 N I JOWELL CHAIRMAN TRENCOR LIMITED  
 C JOWELL CHAIRMAN MOBILE INDUSTRIES LIMITED

19 FEBRUARY 2009

**Directors:**
**Trencor:** N I Jowell\* (Chairman), H R van der Merwe\* (Managing), H A Gorvy, J E Hoelter (USA), C Jowell, J E McQueen\*, D M Nurek, E Oblowitz (\*executive)

**Mobile:** C Jowell (Chairman), H A Gorvy, N I Jowell, E Oblowitz (all non-executive)

**Secretaries to Trencor and Mobile:** Trencor Services (Pty) Ltd

**Registered Office:** 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town 8001

**Transfer Secretaries:** Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001  
 PO Box 61051, Marshalltown 2107

**Sponsors:** Rand Merchant Bank (A division of FirstRand Bank Ltd)

#### Condensed consolidated balance sheets at 31 December 2008

R Million	Trencor		Mobile	
	Reviewed 2008	Audited Restated 2007	Reviewed 2008	Audited 2007
Assets				
Property, plant and equipment	9 198,4	5 726,0		
Goodwill	–	98,3	0,2	–
Intangible assets	591,2	476,8		
Investment in associate			2 342,2	1 734,2
Investments	33,1	30,6		
Long-term loans	0,2	3,1		
Net investment in finance leases	697,8	331,1		
Participation in export partnerships			2,2	2,6
Long-term receivables	1 339,2	1 113,3		
Deferred tax assets	5,8	106,8		
Derivative financial instruments	–	0,9		
Restricted cash	149,3	113,5		
Total non-current assets	12 015,0	8 000,4	2 344,6	1 736,8
Current assets (Note 8)	2 449,2	2 066,2	8,5	9,5
Total assets	14 464,2	10 066,6	2 353,1	1 746,3
Equity				
Share capital and premium	456,1	455,6	192,7	192,7
Reserves	4 045,6	2 730,2	2 156,0	1 548,5
Equity attributable to equity holders of the company	4 501,7	3 185,8	2 348,7	1 741,2
Minority interest	2 117,4	1 428,7		
Total equity	6 619,1	4 614,5	2 348,7	1 741,2
Liabilities				
Interest-bearing borrowings	6 151,3	3 490,7		
Amounts attributable to third parties in respect of long-term receivables	243,1	262,7		
Derivative financial instruments	179,7	29,9		
Deferred tax liabilities	270,7	292,4	2,2	2,6
Total non-current liabilities	6 844,8	4 075,7	2,2	2,6
Current liabilities (Note 9)	1 000,3	1 376,4	2,2	2,5
Total liabilities	7 845,1	5 452,1	4,4	5,1
Total equity and liabilities	14 464,2	10 066,6	2 353,1	1 746,3
Capital expenditure incurred during the year	1 945,6	1 416,8		
Capital expenditure committed and authorised, but not yet incurred	–	157,2		
Market value of listed investments	15,2	15,6	1 699,2	2 427,5
Directors' valuation of unlisted investments	17,9	90,8		
Ratio to aggregate of total equity:				
Total liabilities (%)	118,5	118,2		
Interest-bearing debt (%)	101,1	91,8		

#### Condensed consolidated statements of changes in equity for the year ended 31 December 2008

R Million	Trencor		Mobile	
	Reviewed 2008	Audited 2007	Reviewed 2008	Audited 2007
Balance at the beginning of the year	4 614,5	3 436,6	1 741,2	1 354,6
Movement in share capital and premium	0,5	261,8	–	126,2
Proceeds on issue of shares	0,5	1,3		
Conversion of convertible debentures	–	260,5	–	127,6
Repayment of share capital			–	(1,4)
Movement in reserves				
Fair value reserve – change in fair value of available-for-sale assets	1,3	1,5		
Foreign currency translation reserve	795,1	(57,5)		
Equity compensation reserve – current year share-based payments	30,7	62,1		
Gain on dilution of investment in subsidiaries – amount transferred from retained income	–	197,3		
Non-distributable reserve			(0,6)	(1,3)
Share of net increase in non-distributable reserves of associate			382,6	2,8
Retained income	488,4	362,8	225,5	258,9
Share of profit for the year	662,6	659,9	305,0	303,2
Dividends paid to equity holders of the company	(174,2)	(99,8)	(80,1)	(45,6)
Transfers to specific reserves				
Gain on dilution of investment in subsidiaries	–	(197,3)		
Loss on dilution of investment in associate			0,6	1,3
Movements in minority interest	688,6	349,9		
Share of profit for the year	252,9	300,0		
Foreign currency translation reserve	549,5	(42,8)		
Share-based payments – current year	18,3	35,9		
Amount arising on change in minority interest	–	155,9		
Dividends paid to minorities	(132,1)	(99,1)		
Balance at the end of the year	6 619,1	4 614,5	2 348,7	1 741,2

# Reviewed results for the year ended 31 December 2008 and declaration of cash dividends

## Notes to the condensed consolidated financial statements for the year ended 31 December 2008

1. These condensed consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of these consolidated condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

R Million	Trencor		Mobile	
	Reviewed 2008	Audited 2007	Reviewed 2008	Audited 2007
<b>2. Revenue</b>				
Goods sold and services rendered	278,0	178,9		
Leasing income	1 621,5	1 352,1		
Management fees	232,3	169,4		
Finance income	42,2	43,5	0,9	0,8
	<b>2 174,0</b>	<b>1 743,9</b>	<b>0,9</b>	<b>0,8</b>
Realised and unrealised exchange differences	630,1	(46,0)		
	<b>2 804,1</b>	<b>1 697,9</b>	<b>0,9</b>	<b>0,8</b>
<b>3. Discontinued operations</b>				
The discontinued operations relate to the mobile asset ownership and management businesses exited by the group in the previous financial year and the sale of the plant and equipment of the tank manufacturing business which was discontinued during 2003.				
(Loss)/Profit attributable to the discontinued operations were as follows:				
Revenue	20,7	431,0		
Other operating income	–	1,7		
Expenses	(30,0)	(269,2)		
Profit/(Loss) on disposal of discontinued operations and remeasurement of fair value less costs to sell	20,6	(10,4)		
Profit from operations	11,3	153,1		
Finance expenses	(8,4)	(102,8)		
Finance income	1,7	3,9		
Profit before tax	4,6	54,2		
Income tax (expense)/credit	(86,0)	78,4		
(Loss)/Profit for the year	(81,4)	132,6		
Attributable to:				
Equity holders of the company	(47,7)	94,1		
Minority interest	(33,7)	38,5		
	(81,4)	132,6		
<b>4. Net finance costs</b>				
Finance expenses	382,4	295,9		
Interest expense incurred by:				
Textainer	211,1	260,3		
Other group companies	0,1	0,1		
Losses on derivative financial instruments	171,3	35,6		
Finance income – interest income earned from:	(49,5)	(48,2)		
Cash and cash equivalents	(49,2)	(46,9)		
Other	(0,3)	(1,3)		
	<b>332,9</b>	<b>247,7</b>		
<b>5. Exceptional item</b>				
Net gain on dilution of interest in subsidiaries	–	197,3		
<b>6. Headline earnings</b>				
Profit attributable to equity holders of the company	662,6	659,9	305,0	303,2
Net gain on dilution of interest in subsidiaries	–	(197,3)		
Impairment of goodwill	134,5	–		
Impairment of plant and equipment	4,4	4,0		
Profit on sale of plant and equipment	(127,1)	(127,7)		
(Profit)/Loss on disposal of discontinued operations and remeasurement of fair value less costs to sell	(20,6)	10,4		
Total tax effects of adjustments	91,9	6,6		
Total minority share of adjustments	(25,8)	42,6		
Net loss on dilution of investment in associate	–	–	0,6	1,3
Attributable share of headline earnings adjustments of associate	–	–	26,5	(121,0)
Headline earnings	719,9	398,5	332,1	183,5
Weighted average number of shares in issue (million)	187,3	187,2	1 068,0	1 068,0
Headline earnings per share (cents)	384,4	212,9	31,1	17,2
Diluted headline earnings per share (cents)	383,7	212,4	31,1	17,2
Adjusted headline earnings				
Headline earnings (as above)	719,9	398,5		
Profit on sale of containers	68,2	64,4		
TrenStar Inc depreciation adjustment	–	(40,3)		
TrenStar Inc deferred tax adjustment	–	(42,5)		
Net (gain)/loss on translation of net dollar receivables	(316,2)	20,6		
Adjusted headline earnings	471,9	400,7		
Undiluted adjusted headline earnings per share (cents)	251,9	214,0		
Diluted adjusted headline earnings per share (cents)	251,5	213,6		
<b>7. Segmental reporting</b>				
Revenue				
Continuing operations				
Containers – finance (including exchange differences)	672,3	(2,5)		
Containers – owning, leasing, managing and reselling	2 130,3	1 698,9		
Other	1,5	1,5		
	<b>2 804,1</b>	<b>1 697,9</b>		
Segment result				
Profit from operations				
Continuing operations				
Containers – finance	488,7	69,1		
Containers – owning, leasing, managing and reselling	998,8	903,4		
Profit before impairment of goodwill	1 133,3	903,4		
Impairment of goodwill	(134,5)	–		
Other	(33,0)	(21,4)		
	<b>1 454,5</b>	<b>951,1</b>		
<b>8. Current assets</b>				
Inventories	14,8	25,8		
Trade and other receivables	849,1	530,8	0,5	0,2
Investments	–	75,8		
Current tax asset	1,5	–		
Assets classified as held for sale (Note 10)	138,8	676,4		
Cash and cash equivalents	1 445,0	757,4	8,0	9,3
	<b>2 449,2</b>	<b>2 066,2</b>	<b>8,5</b>	<b>9,5</b>
<b>9. Current liabilities</b>				
Trade and other payables	274,1	442,0	0,7	2,2
Current tax liability	164,4	99,5	0,3	0,3
Current portion of interest-bearing borrowings	537,7	437,9		
Amount owing to subsidiary of associate	–	–	1,2	–
Liabilities classified as held for sale (Note 11)	24,1	396,9		
Short-term borrowings	–	0,1		
	<b>1 000,3</b>	<b>1 376,4</b>	<b>2,2</b>	<b>2,5</b>
<b>10. Assets classified as held for sale</b>				
Property, plant and equipment	–	485,7		
Intangible assets	–	1,0		
Investments	47,2	26,1		
Deferred tax asset	–	71,2		
Restricted cash	1,7	0,9		
Inventories	–	2,9		
Trade and other receivables	9,0	37,8		
Cash and cash equivalents	80,9	50,8		
	<b>138,8</b>	<b>676,4</b>		
<b>11. Liabilities classified as held for sale</b>				
Interest-bearing borrowings	–	307,9		
Derivative financial instruments	3,8	6,5		
Deferred income	–	1,5		
Trade and other payables	9,5	75,3		
Provisions	10,8	5,7		
	<b>24,1</b>	<b>396,9</b>		
<b>12. Restatement of prior year amounts</b>				
In November 2007, Textainer acquired an additional interest in its subsidiary Textainer Marine Containers Ltd. A reduction of R23,7 million to the group's deferred tax liabilities as a result of the acquisition was not accounted for in the prior year. Consequently, deferred tax liabilities and goodwill recognised on the acquisition transaction were each overstated by R23,7 million at 31 December 2007. The comparative amounts at 31 December 2007 have been restated to adjust goodwill and deferred tax liabilities accordingly. There is no effect on the group's income or retained earnings reported in prior years.				
Effect on the year ended 31 December 2007:				
Decrease in deferred taxation liabilities	23,7	–		
Decrease in goodwill	23,7	–		

In order to provide a better appreciation of the results of the group's activities, condensed consolidated income statements and balance sheets are also presented in US dollars, as virtually all of the group's revenue and assets and much of its expenditure are denominated in that currency. The amounts stated in US dollars have been prepared by management and are unaudited.

## Unaudited Trencor condensed consolidated income statement in US dollars for the year ended 31 December 2008

US\$ Million	Unaudited 2008	Unaudited 2007
Revenue	278,5	247,8
Continuing operations		
Trading profit	141,3	132,1
Net long-term receivables fair value adjustment	12,3	8,4
Impairment of goodwill	(14,5)	–
Impairment of plant and equipment	(0,5)	(0,6)
Profit from operations	138,6	139,9
Net finance costs	(41,0)	(35,4)
Finance expense – Interest expense	(26,0)	(37,1)
– Losses on derivative financial instruments	(21,1)	(5,1)
Finance income	6,1	6,8
Exceptional item	–	28,4
Profit before tax	97,6	132,9
Income tax expense	(3,9)	(11,5)
Profit after tax from continuing operations	93,7	121,4
Discontinued operations		
(Loss)/Profit for the year from discontinued operations (net of income tax)	(10,6)	19,1
Profit for the year	83,1	140,5
Attributable to:		
Equity holders of the company	51,4	97,7
Minority interest	31,7	42,8
	<b>83,1</b>	<b>140,5</b>
Number of shares in issue (million)	187,4	187,3
Weighted average number of shares in issue (million)	187,3	187,2
Basic earnings/(loss) per share (US cents)		
Entity as a whole	27,4	52,2
Continuing operations	30,7	45,0
Discontinued operations	(3,3)	7,2
Diluted earnings/(loss) per share (US cents)		
Entity as a whole	27,4	52,1
Continuing operations	30,7	44,9
Discontinued operations	(3,3)	7,2
Headline earnings per share (US cents)	30,7	31,8
Diluted headline earnings per share (US cents)	30,7	31,8
Adjusted headline earnings per share (US cents)	31,3	30,7
Diluted adjusted headline earnings per share (US cents)	31,2	30,6
Year-end rate of exchange: SA rand to US dollar	9,27	6,78
Average rate of exchange for the year: SA rand to US dollar	8,12	7,02
Trading profit from continuing operations comprises:		
Textainer	140,1	129,3
Other	1,2	2,8
	<b>141,3</b>	<b>132,1</b>

## Unaudited Trencor condensed consolidated balance sheet in US dollars at 31 December 2008

US\$ Million	Unaudited 2008	Unaudited 2007
<b>Assets</b>		
Property, plant and equipment	992,3	844,5
Long-term receivables	144,5	164,2
Other non-current assets	159,4	171,2
Non-current assets	<b>1 296,2</b>	<b>1 179,9</b>
Current assets	264,3	304,8
Inventories	1,6	3,8
Trade and other receivables	91,6	78,3
Current tax asset	0,2	–
Investments	–	11,2
Assets classified as held for sale	15,0	99,8
Cash and cash equivalents	155,9	111,7
Total assets	<b>1 560,5</b>	<b>1 484,7</b>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the company	485,7	469,9
Minority interest	228,4	210,7
Total equity	<b>714,1</b>	<b>680,6</b>
Liabilities		
Interest-bearing borrowings	663,6	514,9
Amounts attributable to third parties in respect of long-term receivables	26,2	38,7
Derivative financial instruments	19,4	4,4
Deferred tax liabilities	29,2	43,1
Total non-current liabilities	<b>738,4</b>	<b>601,1</b>
Current liabilities	108,0	203,0
Trade and other payables	29,6	65,2
Current tax liability	17,7	14,7
Current portion of interest-bearing borrowings	58,0	64,6
Liabilities classified as held for sale	2,7	58,5
Total liabilities	<b>846,4</b>	<b>804,1</b>
Total equity and liabilities	<b>1 560,5</b>	<b>1 484,7</b>
Ratio to aggregate of total equity:		
Total liabilities (%)	118,5	118,1
Interest-bearing debt (%)	101,1	91,8

These results can be viewed on the websites

[www.trencor.net](http://www.trencor.net)  
[www.mobile-industries.net](http://www.mobile-industries.net)