



Unaudited interim results

and declaration of cash dividend
for the six months ended 30 June 2014

Trencor Limited
(Incorporated in the Republic of South Africa)

Registration No. 1955/002869/06 | Share code: TRE | ISIN: ZAE000007506 | ('the company' or 'Trencor')

HIGHLIGHTS

GROUP

- **Trading profit**, which is earned mainly in US dollars, after net financing costs, declined by 12,6% from R1 008 million in 2013 to R881 million during the period under review. Financing costs in the current period included a write-off by Textainer of unamortised debt issuance costs amounting to R68 million.
- **Headline earnings per share** (including the effect of realised and net unrealised foreign exchange translation gains and the write-off of unamortised debt issuance costs) were 223,8 cents (2013: 318,1 cents), a decrease of 29,6%. The effect on earnings of the write-off of debt issuance costs was 18 cents per share.
- **Adjusted headline earnings per share** (which excludes the effect of net unrealised foreign exchange translation gains and losses) were 220,6 cents (2013: 264,5 cents), a decrease of 16,6%.
- These various earnings are better presented in tabular form:

Cents per share	Six months ended 30 June		Year ended
	2014	2013	31 December 2013
Headline earnings, including for the year to 31 December 2013, the value placed on the option to acquire the remaining 55,7% of the shares in TAC (82,9 cents per share)	223,8	318,1	792,6
Deduct: Net unrealised foreign exchange translation gains	(3,2)	(53,6)	(64,7)
Deduct: Gain on modification of debt terms	-	-	(97,2)
Adjusted headline earnings	220,6	264,5	630,7

- Based on the spot exchange rate of US\$1 = R10,57 and the price of Textainer's shares listed on the NYSE on 30 June 2014 (US\$38,62), the net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	11 136	62,88
Net beneficiary interest in TAC	311	1,76
Net interest in long-term receivables	598	3,38
Cash	1 518	8,57
Net liabilities	(116)	(0,66)
	13 447	75,93

- Consolidated gearing ratio at 30 June 2014 was 196% (2013: 181%).
- Interim dividend of 72 cents per share declared (2013: 72 cents per share).

TEXTAINER (NYSE: TGH) 48,1% beneficiary interest

- Net profit for the half year in US GAAP was US\$92,7 million (2013: US\$97,1 million). Profit for the first half of 2014 included a one-time US\$22,7 million income tax benefit following the completion of an IRS tax examination and a write-off of US\$6,4 million of unamortised debt issuance costs related to the refinancing of certain debt on more favourable terms.

Adjusted to conform with International Financial Reporting Standards, Textainer's net profit for the half year was US\$73,1 million (2013: US\$100,8 million).

- Average fleet utilisation for the six months to June 2014 was 94,8% (2013: 95,4%) while utilisation for the second quarter to 30 June 2014 was 95,3% (2013: 95,1%).
- Textainer acquired more than US\$598 million in new and used containers year to date.
- Total fleet under management at 30 June 2014 was 3 060 000 (2013: 2 860 000) twenty foot equivalent units of which Textainer itself owned 76,7% (2013: 74,0%).
- Textainer declared dividends of US\$0,47 per share in respect of each of quarters 1 and 2 of 2014.
- Textainer's results may be viewed on its website www.textainer.com.

PREPARATION OF FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been prepared by management under the supervision of the Financial Director and have not been audited or reviewed by Trencor's independent auditors.

DECLARATION OF CASH DIVIDEND

The board has declared an interim cash dividend (number 98) of 72,0 cents per share out of distributable reserves in respect of the six months ended 30 June 2014.

The salient dates pertaining to the dividend payment are as follows:

Last day to trade cum the dividend	Friday, 5 September 2014
Trading commences ex the dividend	Monday, 8 September 2014
Record date	Friday, 12 September 2014
Payment date	Monday, 15 September 2014

Share certificates may not be dematerialised or rematerialised between Monday, 8 September 2014 and Friday, 12 September 2014, both days inclusive.

Note that:

- As no secondary tax on companies' credits are available, dividend withholding tax at the rate of 15% will be applicable to shareholders who are not exempt, which will result in a net dividend of 61,2 cents per share;
- Trencor's tax reference number is 9676002711; and
- Trencor's issued share capital at the declaration date is R885 340 (177 068 011 ordinary shares of 0,5 cent each).

On behalf of the board

NI Jowell Chairman

14 August 2014

Directors:

NI Jowell* (Chairman), JE Hoelter (USA), C Jowell*, JE McQueen* (Financial), DM Nurek, E Oblowitz, RJA Sparks, HR van der Merwe*, H Wessels (*executive)

Secretaries: 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)

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Ltd)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 30 June 2014

R million	Unaudited 30 June 2014	Unaudited 30 June 2013	Audited 31 December 2013
ASSETS			
Property, plant and equipment	38 605	30 128	36 505
Intangible assets	288	311	305
Investment in equity accounted investees	68	61	57
Other investments	66	66	66
Long-term receivables	538	755	637
Net investment in finance leases	1 320	1 151	1 305
Derivative financial instruments	3	-	12
Deferred tax assets	16	23	16
Restricted cash	289	429	629
Total non-current assets	41 193	32 924	39 532
Inventories	395	465	471
Trade and other receivables	1 297	1 000	1 201
Current portion of long-term receivables	194	144	230
Current portion of net investment in finance leases	499	361	447
Current tax assets	-	-	3
Cash and cash equivalents	2 679	2 109	2 744
Total current assets	5 064	4 079	5 096
Total assets	46 257	37 003	44 628
EQUITY			
Share capital and premium	44	44	44
Reserves	8 041	6 942	7 868
Total equity attributable to equity holders of the company	8 085	6 986	7 912
Non-controlling interests	6 939	5 787	6 647
Total equity	15 024	12 773	14 559
LIABILITIES			
Interest-bearing borrowings	28 404	21 773	26 936
Amounts attributable to third parties in respect of long-term receivables	103	140	119
Derivative financial instruments	40	52	43
Deferred revenue	32	33	34
Deferred tax liabilities	231	315	284
Total non-current liabilities	28 810	22 313	27 416
Trade and other payables	1 307	538	594
Current tax liabilities	89	40	76
Current portion of interest-bearing borrowings	992	1 308	1 943
Current portion of amounts attributable to third parties in respect of long-term receivables	31	27	36
Current portion of deferred revenue	4	4	4
Total current liabilities	2 423	1 917	2 653
Total liabilities	31 233	24 230	30 069
Total equity and liabilities	46 257	37 003	44 628
Capital expenditure incurred during the period	3 615	2 735	6 928
Capital expenditure committed and authorised, but not yet incurred	622	302	643
Directors' valuation of unlisted investments	66	66	66
Ratio to total equity:			
Total liabilities (%)	207,9	189,7	206,5
Interest-bearing debt (%)	195,7	180,7	198,4

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2014

R million	Unaudited Six months ended 30 June 2014	Unaudited 30 June 2013	Audited Year ended 31 December 2013
Revenue (Note 2)	3 844	2 982	6 590
Trading profit before items listed below	1 470	1 364	2 855
Realised and unrealised exchange gains on translation of long-term receivables, excluding fair value adjustment	12	170	226
Fair value adjustment on net long-term receivable	(19)	(51)	(49)
Impairment of plant and equipment	(41)	(13)	(86)
Gain – fair value of option to acquire non-controlling interest	-	-	147
Bargain purchase gain	-	-	54
Loss on step up to control	-	-	(26)
Operating profit before net finance expenses	1 422	1 470	3 121
Net finance expenses (Note 3)	(589)	(356)	(817)
Finance expenses	(539)	(377)	(829)
Interest expense			
Realised and unrealised (losses)/gains on derivative financial instruments	(56)	10	(6)
Finance income	6	11	18
Share of profit of equity accounted investees (net of tax)	2	9	182
Profit before tax	835	1 123	2 486
Income tax credit/(expense)	1	(66)	(83)
Profit for the period	836	1 057	2 403
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	145	1 767	2 434
Total comprehensive income for the period	981	2 824	4 837
Total comprehensive income for the period attributable to:			
Equity holders of the company	454	1 489	2 666
Non-controlling interests	527	1 335	2 171
	981	2 824	4 837
Profit for the period attributable to:			
Equity holders of the company	377	557	1 391
Non-controlling interests	459	500	1 012
	836	1 057	2 403
Basic earnings per share (cents)	207,9	314,7	785,7
Diluted earnings per share (cents)	207,9	314,7	785,7
Number of shares in issue (million)	177,1	177,1	177,1
Weighted average number of shares in issue (million)	177,1	177,1	177,1
Period-end rate of exchange: SA Rand to US dollar	10,57	9,95	10,46
Average rate of exchange for the period: SA rand to US dollar	10,65	9,24	9,67

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2014

R million	Unaudited Six months ended 30 June 2014	Unaudited 30 June 2013	Audited Year ended 31 December 2013
Cash generated from operations	2 975	2 197	5 104
Increase in container leasing equipment	(2 879)	(3 326)	(7 595)
Finance income received	6	11	18
Finance lease income	90	65	139
Finance expenses paid	(464)	(360)	(795)
Decrease in finance leases	236	153	392
Receipts from long-term receivables	136	96	202
Payments to third parties in respect of long-term receivables	(18)	(20)	(39)
Dividends paid to equity holders of the company	(280)	(903)	(1 031)
Dividends paid to non-controlling interest	(309)	(250)	(535)
Income tax paid	(29)	(26)	(54)
Net cash outflow from operating activities	(536)	(2 363)	(4 194)
Cash inflow (outflow) from investing activities	335	80	(26)
Cash inflow from financing activities	108	1 542	3 969
Net decrease in cash and cash equivalents before exchange rate fluctuations	(93)	(741)	(251)
Cash and cash equivalents at the beginning of the period	2 744	2 513	2 513
Effects of exchange rate fluctuations on cash and cash equivalents	28	337	482
Cash and cash equivalents at the end of the period	2 679	2 109	2 744



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2014

R million	Equity holders of the company									
	Share capital	Share premium	Fair value reserve	Foreign currency translation reserve	Equity compensation reserve	Gain/(Loss) on changes in ownership interests in subsidiaries	Retained income	Total	Non-controlling interest	Total equity
Six months ended 30 June 2014										
Balance at 1 January 2014	1	43	52	1 983	281	383	5 169	7 912	6 647	14 559
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	377	377	459	836
Other comprehensive income for the period										
Foreign currency translation differences	-	-	-	77	-	-	-	77	68	145
Total comprehensive income for the period	-	-	-	77	-	-	377	454	527	981
Transactions with owners of the company										
Contributions and distributions										
Share-based payments	-	-	-	-	28	-	-	28	30	58
Share options exercised	-	-	-	-	-	-	-	-	15	15
Dividends	-	-	-	-	-	-	(280)	(280)	(309)	(589)
Total contributions and distributions	-	-	-	-	28	-	(280)	(252)	(264)	(516)
Changes in ownership interests in subsidiaries										
	-	-	-	-	-	(29)	-	(29)	29	-
Total transactions with owners of the company	-	-	-	-	28	(29)	(280)	(281)	(235)	(516)
Balance at 30 June 2014	1	43	52	2 060	309	354	5 266	8 085	6 939	15 024
Six months ended 30 June 2013										
Balance at 1 January 2013	1	43	52	708	241	413	4 956	6 414	4 628	11 042
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	557	557	500	1 057
Other comprehensive income for the year										
Foreign currency translation differences	-	-	-	932	-	-	-	932	835	1 767
Total comprehensive income for the year	-	-	-	932	-	-	557	1 489	1 335	2 824
Transactions with owners of the company										
Contributions and distributions										
Share-based payments	-	-	-	-	20	-	-	20	21	41
Share options exercised	-	-	-	-	-	-	-	-	19	19
Dividends	-	-	-	-	-	-	(903)	(903)	(250)	(1 153)
Total contributions and distributions	-	-	-	-	20	-	(903)	(883)	(210)	(1 093)
Changes in ownership interests in subsidiaries										
	-	-	-	-	-	(34)	-	(34)	34	-
Total transactions with owners	-	-	-	-	20	(34)	(903)	(917)	(176)	(1 093)
Balance at 30 June 2013	1	43	52	1 640	261	379	4 610	6 986	5 787	12 773

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the six months ended 30 June 2014

1. These condensed consolidated interim financial statements have been prepared in accordance with the requirements of the JSE Limited's Listings Requirements for interim reports and the requirements of the Companies Act of South Africa. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition of International Financial Reporting Standards ('IFRS') and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of these condensed consolidated financial statements comply with IFRS and are consistent with those used in the annual financial statements for the year ended 31 December 2013. The adoption of the amendments to IAS 32 *Financial Instruments*:

Presentation: Offsetting financial assets and financial liabilities has had no impact the group's current or comparative financial results.

R million	Unaudited Six months ended 30 June 2014	Unaudited 30 June 2013	Audited Year ended 31 December 2013
2. Revenue			
Goods sold	963	608	1 477
Leasing income	2 783	2 089	4 681
Management fees	77	96	177
Finance income	9	19	29
	3 832	2 812	6 364
Realised and unrealised exchange differences	12	170	226
	3 844	2 982	6 590
3. Net finance expenses			
Finance expenses	595	367	835
Interest expense – Textainer	503	377	790
Interest expense – TAC	36	-	39
Realised and unrealised (losses)/gains on derivative financial instruments	56	(10)	6
Finance income			
Interest income – cash and cash equivalents	(6)	(11)	(18)
	589	356	817



R million	Unaudited	Unaudited	Audited
	Six months ended 30 June 2014	30 June 2013	Year ended 31 December 2013
4. Headline earnings			
Profit attributable to equity holders of the company	377	557	1 391
Impairment of property, plant and equipment	41	13	86
Bargain purchase gain	–	–	(54)
Loss on step up to control	–	–	26
Total tax effects of adjustments	(1)	(1)	(2)
Total non-controlling interests' share of adjustments	(21)	(6)	(43)
Headline earnings	396	563	1 404
Weighted average number of shares in issue (million)	177,1	177,1	177,1
Headline earnings per share (cents)	223,8	318,1	792,6
Diluted headline earnings per share (cents)	223,8	318,1	792,6
Adjusted headline earnings			
Headline earnings (as above)	396	563	1 404
Gain on modification of debt terms on initial recognition	–	–	(172)
Net unrealised foreign exchange gain on translation of long-term receivables	(8)	(132)	(159)
Total tax effects of adjustments	3	37	44
Adjusted headline earnings	391	468	1 117
Undiluted adjusted headline earnings per share (cents)	220,6	264,5	630,7
Diluted adjusted headline earnings per share (cents)	220,6	264,5	630,7
5. Segmental reporting			
Revenue			
Reportable segments			
Containers – finance (including exchange differences)	21	190	256
Containers – owning, leasing, management and trading	3 823	2 792	6 334
	3 844	2 982	6 590
Profit from operations			
Reportable segments			
Containers – finance	(6)	136	196
Containers – owning, leasing, management and trading	1 448	1 354	2 788
	1 442	1 490	2 984
Unallocated	(20)	(20)	137*
	1 422	1 470	3 121
Profit before tax			
Reportable segments			
Containers – finance	(6)	136	196
Containers – owning, leasing, management and trading	856	996	2 137
	850	1 132	2 333
Unallocated	(15)	(9)	153*
	835	1 123	2 486
Assets			
Capital expenditure incurred by the container owning, leasing, management and trading segment	3 615	2 765	6 928

* Primarily includes gain – fair value of option to acquire non-controlling interest R147 million.

R million	Unaudited		Unaudited		Audited	
	30 June 2014	Fair value	30 June 2013	Fair value	31 December 2013	Fair value
6. Financial instruments						
The carrying amounts and fair values of financial assets and financial liabilities are as follows:						
Assets						
Other investments – Equity securities – available-for-sale	66	66	66	66	66	66
Long-term receivables – designated at fair value through profit or loss	732	732	899	899	867	867
Net investment in finance leases – other	1 819	1 715	1 512	1 453	1 752	1 732
Derivative financial instruments – held for trading	3	3	–	–	12	12
Restricted cash – loans and receivables	289	289	429	429	629	629
Trade and other receivables – loans and receivables	1 208	1 208	969	969	1 116	1 116
Cash and cash equivalents – loans and receivables	2 679	2 679	2 109	2 109	2 744	2 744
	6 796	6 692	5 984	5 925	7 186	7 166
Liabilities						
Interest-bearing borrowings – liabilities at amortised cost (excluding debt issuance costs)	29 598	29 734	23 319	23 388	29 182	29 266
Amounts attributable to third parties in respect of long-term receivables – designated at fair value through profit or loss	134	134	167	167	155	155
Derivative financial instruments – held for trading	40	40	52	52	43	43
Trade and other payables – liabilities at amortised cost	1 307	1 307	538	538	594	594
	31 079	31 215	24 076	24 145	29 974	30 058

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses the recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
At 30 June 2014				
Assets				
Other investments – Equity securities – available-for-sale	–	66	–	66
Long-term receivables – designated at fair value through profit or loss	–	–	732	732
Interest rate swap contracts	–	3	–	3
	–	69	732	801
Liabilities				
Amounts attributable to third parties in respect of long-term receivables – designated at fair value through profit or loss	–	–	134	134
Interest-bearing borrowings	–	–	459	459
Derivative financial instruments – held for trading	–	40	–	40
	–	40	593	633

6. Financial instruments (continued)

Financial instruments carried at fair value (continued)

Fair value hierarchy (continued)

R million	Level 1	Level 2	Level 3	Total
At 30 June 2013				
Assets				
Other investments – Equity securities – available-for-sale	–	66	–	66
Long-term receivables – designated at fair value through profit or loss	–	–	899	899
	–	66	899	965
Liabilities				
Amounts attributable to third parties in respect of long-term receivables – designated at fair value through profit or loss	–	–	167	167
Derivative financial instruments – held for trading	–	52	–	52
	–	52	167	219
At 31 December 2013				
Assets				
Long-term receivables – designated at fair value through profit or loss	–	–	867	867
Other investments – Equity securities – available-for-sale	–	66	–	66
Interest rate swap contracts	–	12	–	12
	–	78	867	945
Liabilities				
Amounts attributable to third parties in respect of long-term receivables – designated at fair value through profit or loss	–	–	155	155
Interest-bearing borrowings	–	–	556	556
Derivative financial instruments – held for trading	–	43	–	43
	–	43	711	754

Details of the determination of Level 3 fair value measurements during the six months ended 30 June 2014 are set out below:

Long-term receivables and amounts due to third parties in respect of long-term receivables are valued by discounting future cash flows. The discount rate applied to the long-term receivables (denominated in US\$) is 8,5% p.a. (2013: 8,5% p.a.), and amounts attributable to third parties in respect of long-term receivables is 10% p.a. (2013: 10% p.a.). An appropriate fair value adjustment is made to the net investment for the estimated timing of receipt and the possible non-collectability of these receivables, and the related effect on the payment to third parties. The net present value of the long-term receivables and the related fair value adjustment were translated into SA rand at US\$1=R10,46 (June 2013: US\$1=R9,95, December 2013: US\$1=R10,46).

The fair value of the obligations under instalment sale agreements is determined by discounting expected future cash flows at a pre-tax rate that reflects current assessments of the time value of money and the risks specific to the liability.

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Long-term receivables	Amounts attributable to third parties in respect of long-term receivables	Interest-bearing debt	Total
Six months to 30 June 2014				
Balance at the beginning of the period	867	(155)	(556)	156
Total gains/(losses) in profit or loss	1	3	(15)	(11)
Settlements	(136)	18	103	(15)
Effects of movements in exchange rates included in equity	–	–	9	9
Balance at the end of the period	732	(134)	(459)	139
Six months to 30 June 2013				
Balance at the beginning of the period	832	(186)	–	646
Total gains/(losses) in profit or loss	162	(1)	–	161
Settlements	(95)	20	–	(75)
Balance at the end of the period	899	(167)	–	732
Year to 31 December 2013				
Balance at the beginning of the period	832	(186)	–	646
Total gains/(losses) in profit or loss	237	(8)	(14)	215
Settlements	(202)	39	65	(98)
Effects of movements in exchange rates included in equity	–	–	(26)	(26)
Amount arising through business combination	–	–	(581)	(581)
Balance at the end of the period	867	(155)	(556)	156

R million	Long-term receivables	Amounts attributable to third parties in respect of long-term receivables	Interest-bearing debt	Total
-----------	-----------------------	---	-----------------------	-------

Total gains or losses included in profit or loss for the period in the above table are presented in the statement of comprehensive income as follows:

Six months to 30 June 2014

	1	1	–	2
Total gains or losses included in profit or loss for the period	–	–	(15)	(15)
Operating profit	–	–	–	–
Finance expenses	–	2	–	2
Associate tax credit	–	–	–	–
Total gains or losses for the period included in profit or loss for assets and liabilities held at the end of the period	24	4	–	(20)
Operating profit	–	–	(17)	(17)
Finance expenses	–	–	–	–

Six months to 30 June 2013

	(95)	(27)	–	(122)
Total gains or losses included in profit or loss for the period	–	7	–	7
Operating profit	–	–	–	–
Finance expenses	–	–	–	–
Associate tax credit	–	–	–	–
Total gains or losses for the period included in profit or loss for assets and liabilities held at the end of the period	79	–	(12)	67
Operating profit	–	–	–	–
Finance expenses	–	–	–	–
Associate tax credit	–	–	–	–
Total gains or losses for the period included in profit or loss for assets and liabilities held at the end of the period	183	(3)	–	180
Operating profit	–	–	(23)	(23)
Finance expenses	–	–	–	–

Year to 31 December 2013

	237	(12)	–	225
Total gains or losses included in profit or loss for the period	–	–	(14)	(14)
Operating profit	–	–	–	–
Finance expenses	–	–	–	–
Associate tax credit	–	–	–	–
Total gains or losses for the period included in profit or loss for assets and liabilities held at the end of the period	183	(3)	–	180
Operating profit	–	–	(23)	(23)
Finance expenses	–	–	–	–

Although the group believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurement in Level 3 of the fair value hierarchy, changing one or more of the unobservable inputs used, to reasonably possible alternative assumptions, would have the following effects:

	Increase/(Decrease) in unobservable inputs	30 June 2014	30 June 2013	31 December 2013
		Favourable/(Unfavourable) impact on profit or loss		
Interest rates – discount rate				
Long-term receivables	100 basis points	(1)	(1)	(1)
	(100) basis points	1	1	1
Amounts attributable to third parties in respect of long-term receivables				
	100 basis points	1	1	1
	(100) basis points	(1)	(1)	(1)
Finance expense				
	100 basis points	(2)	–	(3)
	(100) basis points	2	–	3
Exchange rates (SA Rand = US\$1)				
Long-term receivables	1%	7	6	6
	(1%)	(7)	(6)	(6)

7. Cash flow changes to classification

As reported in the financial statements for the year ended 31 December 2013, the group has reclassified receipts from long-term receivables, payments to third parties in respect of long-term receivables and decrease in finance leases to cash flows from operating activities, as management believe that these cash flows are more closely aligned to the operating activities of the group. These items were previously classified as cash flows from financing and investing activities. A summary of the effects of the changes on the amounts reported to 30 June 2013 are as follows:

	Amount previously reported	Reclassification	Restated amount
Net cash outflow from operating activities	(2 657)		
Finance lease income		65	
Receipts from long-term receivables		96	
Payments to third parties in respect of long-term receivables		(20)	
Decrease in finance leases		153	
	(2 657)	294	(2 363)
Net cash inflow from investing activities	298		
Decrease in finance leases		(218)	
	298	(218)	80
Net cash inflow from financing activities	1 618		
Receipts from long-term receivables		(96)	
Payments to third parties in respect of long-term receivables		20	
	1 618	(76)	1 542
Net increase in cash and cash equivalents before exchange rate fluctuations	(741)	–	(741)



In order to provide a better appreciation of the results of the group's activities, a condensed consolidated income statement and a condensed consolidated statement of financial position 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 six months ended 30 June 2014

US\$ million	Unaudited Six months ended 30 June 2014	Unaudited 30 June 2013	Unaudited Year ended 31 December 2013
Revenue	359,5	303,9	658,0
Trading profit before items listed below	138,1	147,7	295,6
Realised and unrealised exchange losses on translation of long-term receivables	(0,4)	(0,7)	(0,4)
Fair value adjustment on net long-term receivable	(1,2)	1,8	3,9
Impairment of plant and equipment	(3,8)	(1,4)	(8,9)
Gain – fair value of option to acquire non-controlling interest	–	–	14,8
Bargain purchase gain	–	–	5,5
Loss on step up to control	–	–	(2,6)
Operating profit before net finance expenses	132,7	147,4	307,9
Net finance expenses	(55,3)	(38,5)	(84,3)
Finance expense	(50,7)	(40,8)	(85,7)
Interest expense			
Realised and unrealised (losses)/gains on derivative financial instruments	(5,1)	1,0	(0,5)
Finance income	0,5	1,3	1,9
Interest income			
Share of profit of equity accounted investees (net of tax)	0,2	0,9	18,3
Profit before tax	77,6	109,8	241,9
Income tax credit/(expense)	0,3	(3,8)	(4,6)
Profit for the year	77,9	106,0	237,3
Attributable to:			
Equity holders of the company	34,9	52,0	132,6
Non-controlling interests	43,0	54,0	104,7
	77,9	106,0	237,3
Number of shares in issue (million)	177,1	177,1	177,1
Weighted average number of shares in issue (million)	177,1	177,1	177,1
Basic earnings per share (US cents)	19,7	29,4	74,9
Diluted earnings per share (US cents)	19,7	29,4	74,9
Headline earnings per share (US cents)	20,7	29,8	75,6
Diluted headline earnings per share (US cents)	20,7	29,8	75,6
Adjusted headline earnings per share (US cents)	46,0	28,6	64,5
Diluted adjusted headline earnings per share (US cents)	46,0	28,6	64,5
Period-end rate of exchange: SA rand to US dollar	10,57	9,95	10,46
Average rate of exchange for the period: SA rand to US dollar	10,65	9,24	9,67
Trading profit from operations comprises:			
Textainer and TAC	139,9	147,9	297,2
Other	(1,8)	(0,2)	(1,6)
	138,1	147,7	295,6

UNAUDITED TRENCOR CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN US DOLLARS

at 30 June 2014

US\$ million	Unaudited 30 June 2014	Unaudited 30 June 2013	Audited 31 December 2013
ASSETS			
Property, plant and equipment	3 652,3	3 028,0	3 489,9
Long-term receivables	50,9	75,8	60,9
Other non-current assets	193,9	205,1	228,5
Total non-current assets	3 897,1	3 308,9	3 779,3
Total current assets	479,1	410,0	487,2
Inventories	37,4	46,7	45,1
Trade and other receivables	122,7	100,6	117,5
Current portion of long-term receivables	18,3	14,4	21,6
Current portion of net investment in finance leases	47,2	36,3	40,4
Current tax assets	–	–	0,3
Cash and cash equivalents	253,5	212,0	262,3
Total assets	4 376,2	3 718,9	4 266,5
Equity and liabilities			
Equity attributable to equity holders of the company	765,0	702,1	756,3
Non-controlling interests	656,5	581,6	635,5
Total equity	1 421,5	1 283,7	1 391,8
LIABILITIES			
Interest-bearing borrowings	2 687,2	2 188,2	2 575,1
Amounts attributable to third parties in respect of long-term receivables	9,7	14,1	11,4
Derivative financial instruments	3,8	5,2	4,2
Deferred revenue	3,1	3,3	3,3
Deferred tax liabilities	21,8	31,7	27,1
Total non-current liabilities	2 725,6	2 242,5	2 621,1
Total current liabilities	229,1	192,7	253,6
Trade and other payables	123,6	54,0	57,0
Current tax liability	8,4	4,1	7,1
Current portion of amounts attributable to third parties in respect of long-term receivables	3,0	2,7	3,4
Current portion of interest-bearing borrowings	93,8	131,5	185,8
Current portion of deferred revenue	0,3	0,4	0,3
Total liabilities	2 954,7	2 435,2	2 874,7
Total equity and liabilities	4 376,2	3 718,9	4 266,5
Ratio to total equity:			
Total liabilities (%)	207,9	189,7	206,5
Interest-bearing debt (%)	195,7	180,7	198,4