Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report
For the transition period from to
Commission file number 001-33725

Textainer Group Holdings Limited

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Bermuda
(Jurisdiction of incorporation or organization)

Century House
16 Par-La-Ville Road
Hamilton HM 08
Bermuda
(Address of principal executive offices)

Ernest J. Furtado
Textainer Group Holdings Limited
c/o Textainer Equipment Management (U.S.) Limited
650 California Street, 16th Floor
San Francisco, CA 94108
(415) 434-0551
ejf@textainer.com
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Shares, $0.01 par value	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

48,318,058 Common Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

TABLE OF CONTENTS

In this Annual Report on Form 20-F, unless indicated otherwise, references to: (1) "Textainer," "TGH," "the Company," "we," "us" and "our" refer, as the context requires, to Textainer Group Holdings Limited, which is the registrant and the issuer of the class of common shares that has been registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or Textainer Group Holdings Limited and its subsidiaries; (2) "TEU" refers to a "Twenty-Foot Equivalent Unit," which is a unit of measurement used in the container shipping industry to compare shipping containers of various lengths to a standard 20' dry freight container, thus a 20' container is one TEU and a 40' container is two TEU; (3) "CEU" refers to a Cost Equivalent Unit, which is a unit of measurement based on the approximate cost of a container relative to the cost of a standard 20' dry freight container, so the cost of a standard 20' dry freight container is one CEU; the cost of a 40' dry freight container is 1.6 CEU; and the cost of a 40' high cube dry freight container (9'6" high) is 1.68 CEU; (4) "our owned fleet" means the containers we own; (5) "our managed fleet" means the containers we manage that are owned by other container investors; (6) "our fleet" and "our total fleet" mean our owned fleet plus our managed fleet plus any containers we lease from other lessors; (7) "container investors" means the owners of the containers in our managed fleet; and (8) "Trencor" refers to Trencor Ltd., a public South African container and logistics company, listed on the JSE Limited in Johannesburg, South Africa, which, together with certain of its subsidiaries, are the discretionary beneficiaries of a trust that indirectly owns a majority of our common shares (such interest, "beneficiary interest"). See Item 4 "Information on the Company" for an explanation of the relationship between Trencor and us.

Dollar amounts in this Annual Report on Form 20-F are expressed in thousands, unless otherwise indicated.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS; CAUTIONARY LANGUAGE

This Annual Report on Form 20-F, including the sections entitled Item 3, "*Key Information—Risk Factors*," and Item 5, "*Operating and Financial Review and Prospects*," contains forward-looking statements within the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not statements of historical facts and may relate to, but are not limited to, expectations or estimates of future operating results or financial performance, capital expenditures, introduction of new products, regulatory compliance, plans for growth and future operations, as well as assumptions relating to the foregoing. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "continue" or the negative of these terms or other similar terminology. Forward-looking statements include, among others, statements regarding: (i) our expectation to be able to provide our shareholders with a sizeable contracted revenue stream; (ii) our intention to utilize our considerable financial flexibility, including over $1 billion in total credit facilities with liquidity of over $209 million as of February 28, 2011, to capitalize on future growth opportunities that further expand our earnings power in 2011; (iii) our expectation that the leasing sector will be major purchasers and suppliers of new containers again in 2011 as shipping lines continue to rely on leasing companies, such as Textainer, to meet their requirements for new containers; (iv) our expectation that utilization will remain in the 90% range and the resale market for used containers will remain strong during 2011; (v) our belief that, with the extension of the securitization facility of Textainer Marine Containers Limited ("TMCL") by two years and the increase in its size to a total revolving commitment of $750.0 million from $475.0 million in the second quarter of 2010 and TMCL's exercise of an option to increase the size of its securitization facility to a total revolving commitment of $850.0 million from $750.0 million on March 15, 2011, combined with a low debt-to-equity ratio of 1.3:1, we are in a strong position to execute our growth strategy; (vi) our expectation that capital expenditures for new container purchases in 2011 will be considerably higher than in 2010; (vii) our belief that we will seek to take full advantage of attractive market opportunities and continue to pursue accretive acquisitions in 2011; (viii) our belief that we will find investors to purchase new containers we manage; (ix) our expectation that new container production will increase in 2011 compared to 2010; (x) our intention to continue purchasing new containers to replace older containers and increase the size of our fleet; (xi) our expectation that purchase and leaseback transactions will enable us to buy attractively priced containers and place them on lease; (xii) the possibility that many shipping lines will find it more cost-effective to extend leases on in-fleet containers than either buying or leasing new ones; (xiii) our belief that the diversity in our funding and our access to public equity markets provide us with an advantage in cost and availability of capital; (xiv) our belief that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount; (xv) our belief that many of our customers will renew leases for containers that are less than sale age; (xvi) our belief that our current facilities are adequate to meet current requirements and that additional or substitute space will be available as needed to accommodate our expected growth; (xvii) our beliefs regarding the impact from our adoption of new accounting standards; (xviii) our belief that cash flow from operations, proceeds from the sale of containers and borrowing availability under our debt facilities are sufficient to meet our liquidity needs for the next twelve months; and (xix) our expectation that we will generate sufficient operating cash flow to meet our ongoing contractual obligations in the forseeable future.

Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy, and actual results may differ materially from those we anticipated due to a number of uncertainties, many of which cannot be foreseen. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, among others, the risks we face that are described in the section entitled Item 3, "*Key Information—Risk Factors*" and elsewhere in this Annual Report on Form 20-F.

We believe that it is important to communicate our future expectations to potential investors, shareholders and other readers. However, there may be events in the future that we are not able to accurately predict or control and that may cause actual events or results to differ materially from the expectations expressed in or implied by our forward-looking statements. The risk factors listed in Item 3, "*Key Information—Risk Factors*," as well as

any cautionary language in this Annual Report on Form 20-F, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you decide to buy, hold or sell our common shares, you should be aware that the occurrence of the events described in Item 3, "*Key Information—Risk Factors*" and elsewhere in this Annual Report on Form 20-F could negatively impact our business, cash flows, results of operations, financial condition and share price. Potential investors, shareholders and other readers should not place undue reliance on our forward-looking statements.

Forward-looking statements regarding our present plans or expectations for fleet size, management contracts, container purchases, sources and availability of financing, and growth involve risks and uncertainties relative to return expectations and related allocation of resources, and changing economic or competitive conditions, as well as the negotiation of agreements with container investors, which could cause actual results to differ from present plans or expectations, and such differences could be material. Similarly, forward-looking statements regarding our present expectations for operating results and cash flow involve risks and uncertainties related to factors such as utilization rates, per diem rates, container prices, demand for containers by container shipping lines, supply and other factors discussed under Item 3, "*Key Information—Risk Factors*" or elsewhere in this Annual Report on Form 20-F, which could also cause actual results to differ from present plans. Such differences could be material.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to, and do not plan to, update any forward-looking statements after the date of this Annual Report on Form 20-F as a result of new information, future events or developments, except as required by federal securities laws. You should read this Annual Report on Form 20-F and the documents that we reference and have filed as exhibits with the understanding that we cannot guarantee future results, levels of activity, performance or achievements and that actual results may differ materially from what we expect.

Industry data and other statistical information used in this Annual Report on Form 20-F are based on independent publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, derived from our review of internal surveys and the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information.

In this Annual Report on Form 20-F, unless otherwise specified, all monetary amounts are in U.S. dollars. To the extent that any monetary amounts are not denominated in U.S. dollars, they have been translated into U.S. dollars in accordance with our accounting policies as described in Item 18, " *Financial Statements*" in this Annual Report on Form 20-F.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2010, 2009 and 2008 and under the heading "Balance Sheet Data" as of December 31, 2010 and 2009 have been derived from our audited consolidated financial statements included in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F. The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2007 and 2006 and under the heading "Balance Sheet Data" as of December 31, 2008, 2007 and 2006 are audited and have been derived from our audited consolidated financial statements not included in this Annual Report on Form 20-F. The data presented below under the heading "Other Financial and Operating Data" are not audited. Certain reclassifications of prior year amounts have been made in order to conform with the 2010 financial statement presentation. Historical results are not necessarily indicative of the results of operations to be expected in future periods. You should read the selected consolidated financial data and operating data presented below in conjunction with Item 5, " *Operating and Financial Review and Prospects*" and with Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

	Fiscal Years Ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands, except per share data)				
Statement of Income Data:					
Revenues:					
Lease rental income	$235,827	$189,779	$198,600	$ 192,342	$ 186,093
Management fees	29,137	25,228	28,603	24,125	16,194
Trading container sales proceeds	11,291	11,843	36,294	31,994	14,137
Gains on sale of containers, net	27,624	12,111	17,821	17,645	9,558
Other	—	—	—	284	480
Total revenues	303,879	238,961	281,318	266,390	226,462
Operating expenses:					
Direct container expense	25,542	39,062	25,709	32,895	29,757
Cost of trading containers sold	9,046	9,721	28,581	26,712	11,480
Depreciation expense	58,972	48,473	48,900	48,757	54,330
Amortization expense	6,544	7,080	6,979	3,677	1,023
General and administrative expense	21,670	20,304	20,991	18,063	15,870
Short-term incentive compensation expense	4,805	2,924	4,257	4,094	4,694
Long-term incentive compensation expense	5,318	3,575	3,148	932	285
Bad debt expense, net	145	3,304	3,663	1,133	664
Total operating expenses	132,042	134,443	142,228	136,263	118,103
Income from operations	171,837	104,518	139,090	130,127	108,359

	Fiscal Years Ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands, except per share data)				
Other income (expense):					
Interest expense	(18,151)	(11,750)	(26,227)	(37,094)	(33,083)
Gain on early extinguishment of debt	—	19,398	—	—	—
Interest income	27	61	1,482	3,422	2,286
Realized (losses) gains on interest rate swaps and caps, net	(9,844)	(14,608)	(5,986)	3,204	2,848
Unrealized (losses) gains on interest rate swaps, net	(4,021)	11,147	(15,105)	(8,274)	(574)
Other, net	(1,591)	35	(203)	56	243
Net other (expense) income	(33,580)	4,283	(46,039)	(38,686)	(28,280)
Income before income tax and noncontrolling interest	138,257	108,801	93,051	91,441	80,079
Income tax (expense) benefit	(4,493)	(3,471)	871	(6,847)	(4,299)
Net income	133,764	105,330	93,922	84,594	75,780
Less: Net income attributable to the noncontrolling interest	(13,733)	(14,554)	(8,681)	(16,926)	(19,499)
Net income attributable to Textainer Group Holdings Limited common shareholders	$ 120,031	$ 90,776	$ 85,241	$ 67,668	$ 56,281
Net income per share:					
Basic	$ 2.50	$ 1.90	$ 1.79	$ 1.66	$ 1.47
Diluted	$ 2.43	$ 1.88	$ 1.78	$ 1.66	$ 1.46
Weighted average shares outstanding:					
Basic	48,108	47,761	47,605	40,800	38,186
Diluted	49,307	48,185	47,827	40,841	38,488
Other Financial and Operating Data (unaudited):					
Cash dividends declared per common share	$ 0.99	$ 0.92	$ 0.89	$ 1.14	$ 0.71
EBITDA(1)	$ 218,995	$ 168,681	$ 177,746	$ 154,022	$ 132,357
Purchase of containers and fixed assets	$ 419,650	$ 144,274	$ 320,218	$ 208,095	$ 104,818
Utilization rate(2):					
Former Computation	93.27%	84.19%	93.84%	91.50%	91.10%
New Computation	95.40%	87.20%	94.80%	93.90%	
Total fleet in TEU (as of the end of the period)	2,314,219	2,239,037	2,043,778	2,039,759	1,527,814
Balance Sheet Data (as of the end of the period):					
Cash and cash equivalents	$ 57,081	$ 56,819	$ 71,490	$ 69,447	$ 41,163
Containers, net	1,437,259	1,061,866	999,411	856,874	763,612
Net investment in direct finance and sales-type leases	91,341	80,551	91,719	57,191	42,222
Total assets	1,747,207	1,360,023	1,303,767	1,128,346	947,267
Long-term debt (including current portion)	889,197	686,896	724,643	581,414	541,167
Total liabilities	1,076,640	786,758	795,760	674,513	620,051
Total Textainer Group Holdings Limited shareholders' equity	583,882	500,313	449,609	404,116	241,294
Noncontrolling interest	86,685	72,952	58,398	49,717	85,922

(1) EBITDA (defined as net income attributable to Textainer Group Holdings Limited common shareholders before interest income and interest expense, realized and unrealized losses (gains) on interest rate swaps and caps, net, income tax expense (benefit), net income attributable to the noncontrolling interest and

depreciation and amortization expense and the related impact on net income attributable to the noncontrolling interest) is not a financial measure calculated in accordance with United States generally accepted accounting principles ("GAAP") and should not be considered as an alternative to net income, income from operations or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity. EBITDA is presented solely as a supplemental disclosure because management believes that it may be a useful performance measure that is widely used within our industry. EBITDA is not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure for comparison. We believe EBITDA provides useful information on our earnings from ongoing operations, our ability to service our long-term debt and other fixed obligations and our ability to fund our expected growth with internally generated funds. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Some of these limitations are as follows:

- EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect interest expense or cash requirements necessary to service interest or principal payments on our debt;
- although depreciation is a non-cash charge, the assets being depreciated may be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;
- EBITDA is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

The following is a reconciliation of net income attributable to Textainer Group Holdings Limited common shareholders to EBITDA and a reconciliation of net cash provided by operating activities to EBITDA:

	Fiscal Years Ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands) (Unaudited)				
Reconciliation of EBITDA:					
Net income attributable to Textainer Group Holdings Limited common shareholders	$ 120,031	$ 90,776	$ 85,241	$ 67,668	$ 56,281
Adjustments:					
Interest income	(27)	(61)	(1,482)	(3,422)	(2,286)
Interest expense	18,151	11,750	26,227	37,094	33,083
Realized losses (gains) on interest rate swaps and caps, net	9,844	14,608	5,986	(3,204)	(2,848)
Unrealized losses (gains) on interest rate swaps, net	4,021	(11,147)	15,105	8,274	574
Income tax expense (benefit)	4,493	3,471	(871)	6,847	4,299
Net income attributable to the noncontrolling interest	13,733	14,554	8,681	16,926	19,499
Depreciation expense	58,972	48,473	48,900	48,757	54,330
Amortization expense	6,544	7,080	6,979	3,677	1,023
Impact of reconciling items on net income attributable to the noncontrolling interest	(16,767)	(10,823)	(17,020)	(28,595)	(31,598)
EBITDA	$218,995	$168,681	$177,746	$154,022	$132,357

	Fiscal Years Ended December 31,				
	2010	2009	2008	2007	2006
			(Dollars in thousands) (Unaudited)		
Reconciliation of EBITDA:					
Net cash provided by operating activities	$ 163,883	$ 113,762	$ 136,409	$ 141,832	$ 120,848
Adjustments:					
Bad debt expense, net	(145)	(3,304)	(3,663)	(1,133)	(664)
Amortization of debt issuance costs	(4,399)	(2,176)	(2,693)	(1,395)	(1,405)
Amortization of acquired above-market leases	(26)	(1,456)	(963)	—	—
Amortization of deferred revenue	7,082	4,462	—	—	—
Amortization of unearned income on direct financing and sales-type leases	7,853	8,625	5,855	2,602	2,580
Gains on sale of containers, net	27,624	12,111	17,821	17,645	9,558
Gain on early extinguishment of debt	—	19,398	—	—	—
Share-based compensation expense	(5,457)	(3,493)	(3,022)	(911)	(285)
Interest expense	18,151	11,750	26,227	37,094	33,083
Interest income	(27)	(61)	(1,482)	(3,422)	(2,286)
Realized losses (gains) on interest rate swaps and caps, net	9,844	14,608	5,986	(3,204)	(2,848)
Income tax expense (benefit)	4,493	3,471	(871)	6,847	4,299
Increase (decrease) in:					
Accounts receivable, net	8,828	8,804	8,303	4,473	(215)
Trading containers, net	(867)	(325)	(2,214)	(164)	(334)
Prepaid expenses and other current assets	2,140	(1,538)	(2,444)	411	(1,293)
Due from affiliates, net	(126)	87	30	(6)	(36)
Other assets	1,561	805	2,249	381	1,281
Decrease (increase) in:					
Accounts payable	2,782	(4,156)	(310)	6	3,153
Accrued expenses	(2,868)	210	903	1,357	8,020
Deferred revenue	2,311	3,581	—	—	—
Due to owners, net	(3,404)	(3,264)	7,142	(11,449)	(559)
Long-term income tax payable	(2,165)	(2,582)	(341)	(7,821)	(7,912)
Deferred taxes, net	(1,306)	185	1,844	(526)	(1,030)
Impact of reconciling items on net income attributable to the noncontrolling interest	(16,767)	(10,823)	(17,020)	(28,595)	(31,598)
EBITDA	$218,995	$168,681	$177,746	$154,022	$132,357

(2) We measure the utilization rate on the basis of containers on lease, using the actual number of days on hire, expressed as a percentage of containers available for lease, using the actual days available for lease. Prior to fiscal year 2007, we calculated containers available for lease to include all containers in our fleet ("Former Computation"). The utilization rate above for the fiscal year ended December 31, 2006 is calculated in the latter manner. Starting in fiscal year 2007, to conform to the method used by most of our competitors, we began calculating containers available for lease by excluding containers that have been manufactured for us but have not been delivered yet to a lessee and containers designated as held-for-sale units ("New Computation").

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

An investment in our common shares involves a high degree of risk. You should carefully consider the following risk factors, together with the other information contained elsewhere in this Annual Report on Form 20-F, including our financial statements and the related notes thereto, before you decide to buy, hold or sell our common shares. Any of the risk factors we describe below could adversely affect our business, cash flows, results of operations and financial condition. The market price of our common shares could decline and you may lose some or all of your investment if one or more of these risks and uncertainties develop into actual events.

Risks Related to Our Business and Industry

Any deceleration or reversal of the current domestic and global economic recoveries may materially and negatively impact our business, results of operations, cash flows, financial condition and future prospects.

The past several years have been characterized by weak domestic and global economic conditions, inefficiencies and uncertainty in the credit markets, a low level of liquidity in many financial markets and extreme volatility in many equity markets. Although these conditions appear to be abating and domestic and global recoveries seem to be underway, it is not yet clear whether a sustainable recovery is currently taking place domestically or internationally. Any deceleration or reversal of the relatively slow and modest domestic and global economic recoveries could heighten a number of material risks to our business, results of operations, cash flows and financial condition, as well as our future prospects, including the following:

- Containerized cargo volume growth—A contraction or slowdown in containerized cargo volume growth or negative containerized cargo volume growth would likely create lower utilization, higher direct costs, weaker shipping lines going out of business, pressure for us to offer lease concessions and lead to a reduction in the size of our customers' container fleets.
- Credit availability and access to equity markets—Issues involving liquidity and capital adequacy affecting lenders could affect our ability to fully access our credit facilities or obtain additional debt and could affect the ability of our lenders to meet their funding requirements when we need to borrow. Further, a high level of volatility in the equity markets could make it difficult for us to access the equity markets for additional capital at attractive prices, if at all. If we are unable to obtain credit or access the capital markets, our business could be negatively impacted.
- Credit availability to our customers—We believe that many of our customers are reliant on liquidity from global credit markets and, in some cases, require external financing to fund their operations. As a consequence, if our customers lack liquidity, it would likely negatively impact their ability to pay amounts due to us.

Many of these and other factors affecting the container industry are inherently unpredictable and beyond our control.

The demand for leased containers depends on many political and economic factors beyond our control.

Substantially all of our revenue comes from activities related to the leasing, managing and selling of containers. Our ability to continue successfully leasing containers to container shipping lines, earning management fees on leased containers and sourcing capital required to purchase containers depends, in part, upon the continued demand for leased containers.

Demand for containers depends largely on the rate of world trade and economic growth, with worldwide consumer demand being the most critical factor affecting this growth. Demand for leased containers is also driven by our customers' "lease vs. buy" decisions. Economic downturns in the U.S., Europe, Asia and countries with consumer-oriented economies could result in a reduction in world trade volume and demand by container shipping lines for leased containers. Thus, a decrease in the volume of world trade may adversely affect our utilization and per diem rates and lead to reduced revenue and increased operating expenses (such as storage and repositioning costs), and have an adverse effect on our financial performance. We cannot predict whether, or when, such downturns will occur. Other general factors affecting demand for leased containers, utilization and per diem rates include the following:

- prices of new and used containers;
- economic conditions, competitive pressures and consolidation in the container shipping industry;
- shifting trends and patterns of cargo traffic;
- fluctuations in demand for containerized goods outside their area of production;
- the availability and terms of container financing;
- fluctuations in interest rates and U.S. and non-U.S. currency values;
- overcapacity, undercapacity and consolidation of container manufacturers;
- the lead times required to purchase containers;
- the number of containers purchased by competitors and container lessees;
- container ship fleet overcapacity or undercapacity;
- increased repositioning by container shipping lines of their own empty containers to higher demand locations in lieu of leasing containers;
- consolidation or withdrawal of individual container lessees in the container leasing industry;
- import/export tariffs and restrictions;
- customs procedures, foreign exchange controls and other governmental regulations;
- natural disasters that are severe enough to affect local and global economies or interfere with trade, such as the recent earthquake in Japan; and
- other political and economic factors.

Many of these and other factors affecting the container industry are inherently unpredictable and beyond our control. These factors will vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business and results of operations. In addition, many of these factors also influence the decision by container shipping lines to lease or buy containers. Should one or more of these factors influence container shipping lines to buy a larger percentage of the containers they operate, our utilization rate could decrease, resulting in decreased revenue and increased storage and repositioning costs, which would harm our business, results of operations and financial condition.

Lease rates may decrease, which could harm our business, results of operations and financial condition. Furthermore, lessee defaults may harm our business, results of operations and financial condition by decreasing revenue and increasing storage, repositioning, collection and recovery expenses.

We compete mostly on price and the availability of containers. Lease rates for our containers depend on a large number of factors, including the following:

- the supply of containers available;
- the price of new containers (which is positively correlated with the price of steel);
- the type and length of the lease;

- interest rates;
- embedded residual assumptions;
- the type and age of the container;
- the location of the container being leased;
- the number of containers available for lease by our competitors; and
- lease rates offered by our competitors.

Most of these factors are beyond our control. In addition, lease rates can be negatively impacted by, among other things, the entrance of new leasing companies, overproduction of new containers by factories and the over-buying by shipping lines, leasing competitors and tax-driven container investors. For example, during 2001 and again in the second quarter of 2005, overproduction of new containers, coupled with a build-up of container inventories in Asia by leasing companies and shipping lines, led to decreased utilization rates. If future market lease rates decrease, revenues generated by our fleet will likely be adversely affected, which could harm our business, results of operations, cash flows and financial condition.

Our containers are leased to numerous container lessees. Lessees are required to pay rent and to indemnify us for damage to or loss of containers. Lessees may default in paying rent and performing other obligations under their leases. A delay or diminution in amounts received under the leases (including leases on our managed containers), or a default in the performance of maintenance or other lessee obligations under the leases could adversely affect our business, results of operations and financial condition and our ability to make payments on our debt.

Our cash in-flows from containers, principally container rental revenue, management fee revenue, gain on disposition of used equipment and commissions earned on the sale of containers on behalf of container investors, are affected significantly by our ability to collect payments under leases and purchase and sale agreements, which is subject to external economic conditions and the operations of lessees and others that are not within our control.

When lessees default, we may fail to recover all of our containers, and the containers that we do recover may be returned to locations where we will not be able to quickly re-lease or sell them on commercially acceptable terms. We may have to reposition these containers to other places where we can re-lease or sell them, which could be expensive, depending on the locations and distances involved. Following repositioning, we may need to repair the containers and pay container depots for storage until the containers are re-leased. For our owned containers, these costs directly reduce our income before taxes and for our managed containers, lessee defaults decrease rental revenue and increase operating expenses, and thus reduce our management fee revenue. While we maintain insurance to cover some defaults, it is subject to large deductible amounts and significant exclusions and, therefore, may not be sufficient to prevent us from suffering material losses. Additionally, this insurance might not be available to us in the future on commercially reasonable terms or at all. While defaults by lessees, as measured by our experience and reflected on our financial statements as a bad debt expense, averaged 1.2% of lease rental revenue over the past 5 years and it decreased to 0.6% in fiscal 2010, future defaults may be more material. Any such future defaults could harm our business, results of operations and financial condition.

Sustained reduction in either the prices of new containers or the production of new containers could harm our business, results of operations and financial condition. A contraction or slowdown in containerized cargo growth or negative containerized cargo growth would lead to a surplus of containers and a lack of storage space. Furthermore, if we are unable to lease our new containers shortly after we purchase them, our risk of ownership of the containers increases.

If there is a sustained downturn in new container prices, the lease rates of older, off-lease containers would also be expected to decrease. As of December 31, 2010, we had an average cost of $1,677 per CEU for our

owned fleet. If there is a sustained reduction in the price of new containers such that the market lease rate for all containers is reduced, this trend could harm our business, results of operations and financial condition, even if this sustained reduction in price would allow us to purchase containers at a lower cost.

With respect to supply, the lack of new production of standard dry freight containers from the fourth quarter of 2008 through the end of 2009, combined with continued retirement of older containers in the ordinary course, led to a decline in the world container fleet of approximately 4% in 2009, creating a shortage of containers as worldwide cargo volumes increased by 12.3% in 2010. During the period of decline in the world container fleet, container manufacturers lost up to 60% of their skilled work force due to long shutdowns, and had limited production capacity in 2010 as they had to hire and train a new skilled work force. Although production of new standard dry freight containers is expected to increase in 2011, if there is a sustained reduction in the production of new containers, it could impact our ability to expand our fleet, which could harm our business, results of operations and financial condition, even if we could purchase used containers at a lower cost.

Lease rates for new containers are positively correlated to the fluctuations in the price of new containers, which is positively correlated with the price of steel, which is a major component used in the manufacture of new containers. In the past five years, we have purchased new containers at prices ranging from $1,440 per CEU to $2,889 per CEU. Our average new container cost per CEU increased 6.5% during 2010. If we are unable to lease the new containers that we purchase within a short period of time of such purchase, the market price of new containers and the corresponding market lease rates for new containers may decrease, regardless of the high cost of the previously purchased containers. This decline could harm our business, results of operations and financial condition.

Further consolidation of container manufacturers or the disruption of manufacturing for the major manufacturers could result in higher new container prices and/or decreased supply of new containers. Any increase in the cost or reduction in the supply of new containers could harm our business, results of operations and financial condition.

We currently purchase all of our containers from manufacturers based in the People's Republic of China (the "PRC"). If it were to become more expensive for us to procure containers in the PRC or to transport these containers at a low cost from the manufacturer to the locations where they are needed by our container lessees because of changes in exchange rates between the U.S. Dollar and Chinese Yuan, further consolidation among container suppliers, increased tariffs imposed by the U.S. or other governments, increased fuel costs, or for any other reason, we may have to seek alternative sources of supply. While we are not dependent on any single manufacturer for our supply of containers, we may not be able to make alternative arrangements quickly enough to meet our container needs, and the alternative arrangements may increase our costs.

In particular, the availability and price of containers depend significantly on the capacity and bargaining position of the major container manufacturers. There has recently been a consolidation in the container manufacturing industry, resulting in two major manufacturers having market share of approximately 70% of that industry. This increased bargaining position has led to sustained increases in container prices. If the increased cost of purchasing containers is not matched by an increase in lease rates, our business, results of operations and financial conditions would be harmed.

Terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Terrorist attacks and the threat of such attacks have contributed to economic instability in the U.S. and elsewhere, and further acts or threats of terrorism, violence, war or hostilities could similarly affect world trade and the industries in which we and our container lessees operate. For example, worldwide containerized trade dramatically decreased in the immediate aftermath of the September 11, 2001 terrorist attacks in the U.S., which affected demand for leased containers. In addition, terrorist attacks, threats of terrorism, violence, war or

hostilities may directly impact ports, depots, our facilities or those of our suppliers or container lessees and could impact our sales and our supply chain. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade and lower demand for our containers.

Our lease agreements require our lessees to indemnify us for all costs, liabilities and expenses arising out of the use of our containers, including property damage to the containers, damage to third-party property and personal injury. However, our lessees may not have adequate resources to honor their indemnity obligations after a terrorist attack. Our insurance coverage is limited and is subject to large deductibles and significant exclusions and we have very limited insurance for liability arising from a terrorist attack. Accordingly, we may not be protected from liability (and expenses in defending against claims of liability) arising from a terrorist attack.

A substantial portion of our containers is leased out from or manufactured at locations in the PRC and a significant number of our major shipping line customers is domiciled in either the PRC (including Hong Kong) or Taiwan. Therefore, our results of operations are subject to changes resulting from the political and economic policies of the PRC.

A substantial portion of our containers is leased out from locations in the PRC because of the large volume of goods being shipped from the PRC to the U.S., Europe and throughout Asia. The main manufacturers of containers are also located in the PRC. These business operations could be restricted by the political environment in the PRC. The PRC has operated as a socialist state since 1949 and is controlled by the Communist Party of China. In recent years, however, the government has introduced reforms aimed at creating a "socialist market economy" and policies have been implemented to allow business enterprises greater autonomy in their operations. Changes in the political leadership of the PRC may have a significant effect on laws and policies related to the current economic reform programs, other policies affecting business and the general political, economic and social environment in the PRC, including the introduction of measures to control inflation, changes in the rate or method of taxation, and the imposition of additional restrictions on currency conversion, remittances abroad, and foreign investment. Moreover, economic reforms and growth in the PRC have been more successful in certain provinces than in others, and the continuation of or increases in such disparities could affect the political or social stability of the PRC.

Although we believe that the economic reform and the macroeconomic measures adopted by the PRC have had a positive effect on the economic development of the PRC, the future direction of these economic reforms is uncertain. This uncertainty may affect the economic development in the PRC, thereby affecting the level of trade with the rest of the world and the corresponding need for containers to ship goods from the PRC. In addition, a large number of our shipping line customers are domiciled either in the PRC (including Hong Kong) or in Taiwan. In fiscal year 2010, approximately 30.2% of our revenue was attributable to shipping line customers that were either domiciled in the PRC (including Hong Kong) or in Taiwan. The manufacturing facilities of the container manufacturers from which we purchased our containers in 2010 are also located in the PRC. Political instability in either the PRC or Taiwan could have a negative effect on our major customers, our ability to obtain containers and correspondingly, our results of operations and financial condition.

The legal systems in the PRC and other jurisdictions have inherent uncertainties that could limit the legal protections available to us.

We currently purchase all of our containers from manufacturers based in the PRC. In addition, a substantial portion of our containers is leased out from locations in the PRC. California law governs almost all of these agreements. However, disputes or settlements arising out of these agreements may need to be enforced in the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and may be subject to considerable discretion, variation, or

influence by external forces unrelated to the legal merits of a particular matter. The enforcement of these laws, regulations, and rules involves uncertainties that may limit remedies available to us. Any litigation or arbitration in the PRC may be protracted and may result in substantial costs and diversion of resources and management attention. In addition, the PRC may enact new laws or amend current laws that may be detrimental to us, which may have a material adverse effect on our business operations. If we are unable to enforce any legal rights that we may have under our contracts or otherwise in the PRC, our ability to compete and our results of operations could be harmed.

In addition, as our containers are used in trade involving goods being shipped from the PRC to locations throughout the world, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the containers in various jurisdictions cannot be predicted.

The demand for leased containers is partially tied to international trade. If this demand were to decrease due to increased barriers to trade, or for any other reason, it could reduce demand for intermodal container leasing, which would harm our business, results of operations and financial condition.

A substantial portion of our containers is used in trade involving goods being shipped from the PRC to the United States, Europe or other regions. The willingness and ability of international consumers to purchase PRC goods is dependent on political support, in the United States, Europe and other countries, for an absence of government-imposed barriers to international trade in goods and services. For example, international consumer demand for PRC goods is related to price; if the price differential between PRC goods and domestically-produced goods were to decrease due to increased tariffs on PRC goods, demand for PRC goods could decrease, which could result in reduced demand for intermodal container leasing. A similar reduction in demand for intermodal container leasing could result from an increased use of quotas or other technical barriers to restrict trade from or to the PRC. The current regime of relatively free trade may not continue.

Because substantially all of our revenues are generated in U.S. dollars, but a significant portion of our expenses are incurred in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations.

The U.S. dollar is our primary operating currency. Almost all of our revenues are denominated in U.S. dollars, and approximately 66% of our direct container expenses were denominated in U.S. dollars for the year ended December 31, 2010. Accordingly, a significant amount of our expenses are incurred in currencies other than the U.S. dollar. This difference could lead to fluctuations in net income due to changes in the value of the U.S. dollar relative to the other currencies. For the years ended December 31, 2010, 2009 and 2008, 34%, 38% and 38%, respectively, of the Company's direct container expenses were paid in 18 different foreign currencies for the year ended December 31, 2010, 17 different foreign currencies for the year ended December 31, 2009 and 15 different foreign currencies for the year ended December 31, 2008. A significant amount of these payments was due to containers on lease to the U.S. military under our contract with the Surface Deployment and Distribution Command ("SDDC"), which contains a provision to protect us from fluctuations in exchange rates for payments made in foreign currencies. A decrease in the value of the U.S. dollar against non-U.S. currencies in which our expenses are incurred translates into an increase in those expenses in U.S. dollar terms, which would decrease our net income.

Sustained Asian economic instability could reduce demand for leasing, which would harm our business, results of operations and financial condition.

Many of our customers are substantially dependent upon shipments of goods exported from Asia. From time to time, there have been health scares, such as Severe Acute Respiratory Syndrome and avian flu, financial turmoil, natural disasters and political instability in Asia. If these events were to occur in the future, they could adversely affect our container lessees and the general demand for shipping and lead to reduced demand for leased containers or otherwise adversely affect us. Any reduction in demand for leased containers would harm our business, results of operations and financial condition.

We own a large and growing number of containers in our fleet and are subject to significant ownership risk.

Ownership of containers entails greater risk than management of containers for container investors. As we increase the number of containers in our owned fleet, we will increase our exposure to financing costs, changes in per diem rates, re-leasing risk, changes in utilization rates, lessee defaults, repositioning costs, storage expenses, impairment charges and changes in sales price upon disposition of containers. The number of containers in our owned fleet fluctuates over time as we purchase new containers, sell containers into the secondary resale market, and acquire other fleets. As part of our strategy, we are focused on increasing the number of owned containers in our fleet and we therefore expect our ownership risk to increase correspondingly. In 2010, 2009 and 2008, we paid $419.0 million, $142.9 million, and $319.3 million, respectively, to purchase containers for our owned fleet. We believe we will be able to find container investors to purchase the desired portion of the new containers that we want to manage. If we are unable to locate container investors to purchase these containers, we may purchase the containers ourselves and operate them as part of our owned fleet.

As we increase the number of containers in our owned fleet, we will have significant capital at risk and may need to incur more debt, which could result in financial instability.

As we increase the number of containers in our owned fleet, either as a result of planned growth in our owned fleet or as a result of our inability to attract investment from container investors to purchase containers, we will likely have more capital at risk and may need to maintain higher debt balances at a level that may adversely affect our return on equity and reduce our ability to raise capital, including our ability to borrow money to continue expanding our owned fleet. Future borrowings may not be available under our revolving credit facility or our secured debt facility, and we may not be able to refinance these facilities, if necessary, on commercially reasonable terms or at all. We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities and/or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business. These effects, among others, may reduce our profitability and adversely affect our plans to maintain the container management portion of our business.

If we are unable to finance our continued purchase of containers or other capital expenditures, our competitive position may diminish and our business, growth plans and results of operations may be harmed.

Our container lessees typically prefer newer containers. Also, a portion of our container fleet is disposed of due to age or other factors every year. To grow our business, we must add new containers to our fleet. We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving credit facility and our secured debt facility and intend to use borrowings under our revolving credit facility and our secured debt facility for such funding in the future. Future borrowings may not be available under our revolving credit facility or our secured debt facility, and we may not be able to refinance these facilities, if necessary, on commercially reasonable terms or at all. We may need to raise additional debt or equity capital in order to fund our capital expenditures. We may not have access to the capital resources we desire or need to fund our capital expenditures. If we are unable to make the necessary capital expenditures, our fleet of containers may be less attractive to our container lessees and our business, results of operations and financial condition could suffer.

We derive a substantial portion of our revenue from each of our Container Ownership, Container Management and Container Resale segments from a limited number of container lessees, and the loss of, or reduction in business by, any of these container lessees could harm our business, results of operations and financial condition.

We have derived, and believe that we will continue to derive, a significant portion of our revenue and cash flow from a limited number of container lessees. Our business comprises three reportable segments for financial statement reporting purposes: Container Ownership, Container Management and Container Resale. Revenue for our Container Ownership segment comes primarily from container lessees that lease containers from our owned fleet. Revenue for our Container Management segment is also primarily dependent on the lease revenue of those containers that we manage. Lease billings from our 25 largest container lessees by revenue represented $363.5 million or 76.7% of the total fleet billings for the fiscal year ended December 31, 2010, with lease billings from our single largest container lessee accounting for $52.7 million, or 11.1% of container lease billings during such fiscal year.

We do not distinguish between our owned fleet and our managed fleet when we enter into leases with or lease containers to container shipping lines. Accordingly, the largest lessees of our owned fleet are typically among the largest lessees of our managed fleet, and our management fee revenue is based on the number and performance of managed containers on lease to container lessees. As a result, the loss of, or default by, any of our largest container lessees could have a material adverse effect on the revenue for both our Container Ownership segment and our Container Management segment, and could harm our business, results of operations and financial condition.

We face extensive competition in the container leasing industry.

We may be unable to compete favorably in the highly competitive container leasing and container management businesses. We compete with a relatively small number of major leasing companies, many smaller lessors, companies and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. In addition, shipping lines own a significant amount of the world's intermodal containers and effectively compete with us. Some of these competitors have greater financial resources and access to capital than we do. Additionally, some of these competitors may have large, underutilized inventories of containers, which could, if leased, lead to significant downward pressure on per diem rates, margins and prices of containers. Competition among container leasing companies depends upon many factors, including, among others: per diem rates; supply reliability; lease terms, including lease duration, drop-off restrictions and repair provisions; customer service; and the location, availability, quality and individual characteristics of containers. New entrants into the leasing business have been attracted by the high rate of containerized trade growth and the extent of investment from a number of container investors in recent years. New entrants may be willing to offer pricing or other terms that we are unwilling or unable to match. Shipping lines may prefer to use containers they own instead of leasing containers from us. As a result, we may not be able to maintain a high utilization rate or achieve our growth plans.

The international nature of the container shipping industry exposes us to numerous risks.

Our ability to enforce lessees' obligations may be subject to applicable law in the jurisdiction in which enforcement is sought or the country of domicile of the lessee. As containers are predominantly located on international waterways and the lessees domiciled in many different countries, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions in which laws do not confer the same security interests and rights to creditors and lessors as those in the U.S. and in jurisdictions where recovery of containers from defaulting lessees is more cumbersome. As a result, the relative success and expedience of enforcement proceedings with respect to containers in various jurisdictions cannot be predicted.

We are also subject to risks inherent in conducting business across national boundaries, any one of which could adversely impact our business. These risks include:

- regional or local economic downturns;
- fluctuations in currency exchange rates;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds or other assets into or out of different countries;
- import and export duties and quotas;
- domestic and foreign customs and tariffs;
- war, hostilities and terrorist attacks, or the threat of any of these events;
- government instability;
- nationalization of foreign assets;
- government protectionism;
- compliance with export controls, including those of the U.S. Department of Commerce;
- compliance with import procedures and controls, including those of the U.S. Department of Homeland Security;
- consequences from changes in tax laws, including tax laws pertaining to the container investors;
- potential liabilities relating to foreign withholding taxes;
- labor or other disruptions at key ports;
- difficulty in staffing and managing widespread operations; and
- restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in various jurisdictions.

One or more of these factors or other related factors may impair our current or future international operations and, as a result, harm our business, results of operations and financial condition.

We rely on our proprietary information technology systems to conduct our business. If these systems fail to perform their functions adequately, or if we experience an interruption in their operation, our business, results of operations and financial condition could be harmed.

The efficient operation of our business is highly dependent on our proprietary information technology systems. We rely on our systems to record transactions, such as repair and depot charges, purchases and disposals of containers and movements associated with each of our owned or managed containers. We use the information provided by these systems in our day-to-day business decisions in order to effectively manage our lease portfolio, reduce costs and improve customer service. We also rely on these systems for the accurate tracking of the performance of our managed fleet for each container investor. The failure of our systems to perform as we expect could disrupt our business, adversely affect our results of operations and cause our relationships with lessees and container investors to suffer. Our information technology systems are vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power loss and computer systems failures and viruses. Even though we have developed redundancies and other contingencies to mitigate any disruptions to our information technology systems, these redundancies and contingencies may not completely prevent interruptions to our information technology systems. Any such interruptions could harm our business, results of operations and financial condition.

Consolidation and concentration in the container shipping industry could decrease the demand for leased containers.

We primarily lease containers to container shipping lines. We believe container shipping lines require a quantity of containers equal to just under two times the total TEU capacity on their container ships to support their operations. The container shipping lines have historically relied on a large number of leased containers to satisfy their needs. The shipping industry has been consolidating for a number of years, and further consolidation is expected. Consolidation of major container shipping lines could create efficiencies and decrease the demand that container shipping lines have for leased containers because they may be able to fulfill a larger portion of their needs through their owned container fleets. Consolidation could also create concentration of credit risk if the number of our container lessees decreases. Additionally, large container shipping lines with significant resources could choose to manufacture their own containers, which would decrease their demand for leased containers and could harm our business, results of operations and financial condition.

We may incur significant costs to reposition our containers, which could harm our business, results of operations and financial condition.

When lessees return containers to locations where supply exceeds demand, we sometimes reposition containers to higher demand areas. Repositioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the previous lessee of the containers or pick-up charges paid by the new lessee. We seek to limit the number of and impose surcharges on containers returned to low demand locations. Market conditions, however, may not enable us to continue such practices. In addition, we may not be able to accurately anticipate which locations will be characterized by higher or lower demand in the future, and our current contracts will not protect us from repositioning costs if locations that we expect to be higher demand locations turn out to be lower demand locations at the time the containers are returned. Any such increases in costs to reposition our containers could harm our business, results of operations and financial condition.

U.S. investors in our company could suffer adverse tax consequences if we are characterized as a passive foreign investment company for U.S. federal income tax purposes.

Based upon the nature of our business activities, we may be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. Such characterization could result in adverse U.S. tax consequences to direct or indirect U.S. investors in our common shares. For example, if we are a PFIC, our U.S. investors could become subject to increased tax liabilities under U.S. tax laws and regulations and could become subject to burdensome reporting requirements. The determination of whether or not we are a PFIC is made on an annual basis and depends on the composition of our income and assets from time to time. Specifically, for any taxable year we will be classified as a PFIC for U.S. tax purposes if either:

- 75% or more of our gross income in a taxable year is passive income, or
- the average percentage of our assets (which includes cash) by value in a taxable year which produce or are held for the production of passive income is at least 50%.

In applying these tests, we are treated as owning or generating directly our pro rata share of the assets and income of any corporation in which we own at least 25% by value. In addition, the composition of our income and assets will be affected by how, and how quickly, we spend the cash we have raised.

If you are a U.S. investor and we are a PFIC for any taxable year during which you own our common shares, you could be subject to adverse U.S. tax consequences. Under the PFIC rules, unless a U.S. investor is permitted to and does elect otherwise under the Internal Revenue Code, such U.S. investor would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain

had been recognized ratably over the investor's holding period for our common shares. Based on the composition of our income, valuation of our assets (including goodwill), and our election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes, we do not believe we were a PFIC for any period after the IPO date and we do not expect that we should be treated as a PFIC for our current taxable year. However, there can be no assurance at all in this regard. Because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the IRS may challenge our determination concerning our PFIC status.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Textainer Group Holdings Limited is a Bermuda company, and we believe that a significant portion of the income derived from our operations will not be subject to tax in Bermuda, which currently has no corporate income tax, or in many other countries in which we conduct activities or in which our customers or containers are located. However, this belief is based on the anticipated nature and conduct of our business, which may change. It is also based on our understanding of our position under the tax laws of the countries in which we have assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have retroactive effect.

A portion of our income is treated as effectively connected with our conduct of a trade or business within the U.S., and is accordingly subject to U.S. federal income tax. It is possible that the U.S. Internal Revenue Service will conclude that a greater portion of our income is effectively connected income that should be subject to U.S. federal income tax.

Our results of operations could be materially and adversely affected if we become subject to a significant amount of unanticipated tax liabilities.

Our U.S. subsidiaries may be treated as personal holding companies for U.S. federal tax purposes now or in the future.

Any of our direct or indirect U.S. subsidiaries could be subject to additional U.S. tax on a portion of its income if it is considered to be a personal holding company ("PHC") for U.S. federal income tax purposes. This status depends on whether more than 50% of the subsidiary's shares by value could be deemed to be owned (taking into account constructive ownership rules) by five or fewer individuals and whether 60% or more of the subsidiary's adjusted ordinary gross income consists of "personal holding company income," which includes certain forms of passive and investment income. The PHC rules do not apply to non-U.S. corporations. We believe that none of our U.S. subsidiaries should be considered PHCs. In addition, we intend to cause our U.S. subsidiaries to manage their affairs in a manner that reduces the possibility that they will meet the 60% income threshold. However, because of the lack of complete information regarding our ultimate share ownership (*i.e.*, particularly as determined by constructive ownership rules), our U.S. subsidiaries may become PHCs in the future and, in that event, the amount of U.S. federal income tax that would be imposed could be material.

The U.S. government has special contracting requirements that create additional risks.

We have entered into a firm, fixed price, indefinite quantity contract with the SDDC to supply leased marine containers to the U.S. military. As an indefinite quantity contract, there is no guarantee that the U.S. military will pay more than the minimum guarantee, which guaranteed amount is substantially below the total amount authorized under the contract. Thus, the expected revenues from the SDDC contract may not fully materialize. If we do not perform in accordance with the terms of the SDDC contract, we may receive a poor performance report that would be considered by the U.S. military in making any future awards. Accordingly, we cannot be certain that we will be awarded any future government contracts.

In contracting with the U.S. military, we are subject to U.S. government contract laws, regulations and other requirements that impose risks not generally found in commercial contracts. For example, U.S. government contracts require contractors to comply with a number of socio-economic requirements and to submit periodic reports regarding compliance, are subject to audit and modification by the U.S. government in its sole discretion, and impose certain requirements relating to software and/or technical data that, if not followed, could result in the inadvertent grant to the U.S. government of broader licenses to use and disclose such software or data than we intended.

These laws, regulations and contract provisions also permit, under certain circumstances, the U.S. government unilaterally to:

- suspend or prevent us for a set period of time from receiving new government contracts or extending existing contracts based on violations or suspected violations of laws or regulations;
- terminate the SDDC contract;
- reduce the scope and value of the SDDC contract;
- audit our performance under the SDDC contract and our compliance with various regulations; and
- change certain terms and conditions in the SDDC contract.

In addition, the U.S. military may terminate the SDDC contract either for its convenience at any time or if we default by failing to perform in accordance with the contract schedule and terms. Termination for convenience provisions generally enable the contractor to recover only those costs incurred or committed, and settlement expenses and profit on the work completed prior to termination. Termination for default provisions do not permit these recoveries and make the contractor liable for excess costs incurred by the U.S. military in procuring undelivered items from another source.

In addition, the U.S. government could bring criminal and civil charges against us based on intentional or unintentional violations of the representations and certifications that we have made in the SDDC contract. Although adjustments arising from U.S. government audits and reviews have not seriously harmed our business in the past, future audits and reviews could cause adverse effects. We could also suffer serious harm to our reputation if allegations of impropriety were to be made against us.

Gains and losses associated with the disposition of used equipment may fluctuate and adversely affect our business, results of operations and financial condition.

We regularly sell used containers at the end of their useful economic lives in marine service or when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. The residual value of these containers affects our profitability. The volatility of the residual values of used containers may be significant. These values depend upon, among other factors, demand for used containers for secondary purposes, comparable new container costs, used container availability, condition and location of the containers, and market conditions. Most of these factors are outside of our control.

Containers are typically sold if it is in the best interest of the owner to do so after taking into consideration the prevailing sales price, as affected by the above factors, location, earnings prospects, remaining useful life, repair condition, and suitability for leasing or other uses. Gains or losses on the disposition of used container equipment and the sales fees earned on the disposition of managed containers will also fluctuate and may be significant if we sell large quantities of used containers. Any such fluctuations could harm our business, results of operations and financial condition. See Item 5, “ *Operating and Financial Review and Prospects*” for a discussion of our gains or losses on the disposition of used container equipment.

We may choose to pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs.

We may pursue acquisitions and joint ventures. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating personnel and financial and other systems;
- hiring additional management and other critical personnel; and
- increasing the scope, geographic diversity and complexity of our operations.

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business. Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures.

A reduction in the willingness of container investors to have us manage their containers could adversely affect our business, results of operations and financial condition.

A significant percentage of our revenue is attributable to management fees earned on services related to the leasing of containers owned by container investors. This revenue has very low direct operating costs associated with it. Accordingly, fluctuations in our management fee revenue in any period will have an impact on our profitability in that period. Our ability to continue to attract new management contracts depends upon a number of factors, including our ability to lease containers on attractive lease terms and to efficiently manage the repositioning, storage and disposition of containers. In the event container investors perceive another container leasing company as better able to provide them with a stable and attractive rate of return, we may lose management contract opportunities in the future, which could affect our business, results of operations and financial condition.

Our senior executives are critical to the success of our business and any inability to retain them or recruit new personnel could harm our business, results of operations and financial condition.

Our senior management has a long history in the container leasing industry, with our four most senior officers having an average of approximately 19 years of service with us and an average of 24 years in the container leasing industry. We rely on this knowledge and experience in our strategic planning and in our day-to-day business operations. Our success depends in large part upon our ability to retain our senior management, the loss of one or more of whom could have a material adverse effect on our business. Our success also depends on our ability to retain our experienced sales force and technical personnel as well as recruiting new skilled sales, marketing and technical personnel. Competition for these individuals in our industry is intense and we may not be able to successfully recruit, train or retain qualified personnel. If we fail to retain and recruit the necessary personnel, our business and our ability to obtain new container lessees and provide acceptable levels of customer service could suffer. We have employment agreements with most of our executive officers.

The lack of an international title registry for containers increases the risk of ownership disputes.

Although the Bureau International des Containers registers and allocates a four letter prefix to every container in accordance with ISO standard 6346 (Freight container coding, identification and marking) to identify the owner/operator and each container has a unique prefix and serial number, there is no internationally recognized system of recordation or filing to evidence our title to containers nor is there an internationally recognized system for filing security interest in containers. Although this has not occurred to date, the lack of a title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of the containers.

We may incur costs associated with new cargo security regulations, which may adversely affect our business, results of operations and financial condition.

We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the U.S. Moreover, the International Convention for Safe Containers, 1972, as amended, adopted by the International Maritime Organization, applies to containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet new requirements imposed by such regulations. Additionally, certain companies are currently developing or may in the future develop products designed to enhance the security of containers transported in international commerce. Regardless of the existence of current or future government regulations mandating the safety standards of intermodal shipping containers, our competitors may adopt such products or our container lessees may require that we adopt such products. In responding to such market pressures, we may incur increased costs, which could have a material adverse effect on our business, results of operations and financial condition.

Our indebtedness reduces our financial flexibility and could impede our ability to operate.

We currently utilize three types of borrowings: (i) borrowings under our revolving credit facility; (ii) borrowings under our secured debt facility and (iii) issuance of bonds. Our revolving credit facility is a bank revolving facility involving an aggregate commitment amount of up to $205.0 million to one of our subsidiaries, Textainer Limited (“TL”). Our secured debt facility is a conduit facility, which allows for recurring borrowings and repayments, granted to Textainer Marine Containers Limited (“TMCL”), which is a subsidiary of TL. TMCL is also the issuer of our bonds. We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving credit facility and our secured debt facility and intend to use borrowings under our revolving credit facility and our secured debt facility for such funding in the future. We intend for containers to be typically purchased by TL using proceeds from our revolving credit facility. TL then sells these containers at book value to TMCL, which then finances part of the purchase price with draw downs from our secured debt facility. In 2001 and 2005, at such time as the secured debt facility reached an appropriate size, the secured debt facility was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the secured debt facility nears its maximum size. This timing will depend on the level of future purchases of containers for our owned fleet.

As of February 28, 2011, we had (i) outstanding borrowings of $77.0 million under our revolving credit facility, (ii) $218.9 million outstanding under our bonds payable and (iii) $668.5 million of outstanding borrowings under our secured debt facility. We expect that we will maintain a significant amount of indebtedness on an ongoing basis.

The borrowings and related interest under our revolving credit facility are due in full on April 22, 2013, although we have the option of prepaying principal prior to that date. Payments of principal on our bonds are due monthly. Payments of principal on our secured debt facility are not scheduled to be due until June 29, 2012, although we have the option of prepaying the principal on those borrowings at any time. If we do not refinance the secured debt facility prior to June 29, 2012, we will need to make monthly principal payments. There is no assurance that we will be able to refinance our outstanding indebtedness on terms that we can afford or at all. If we are unable to refinance our outstanding indebtedness, it could limit our ability to grow our business.

The amount of our indebtedness could have important consequences for us, including the following:

- require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing funds available for operations, investments and future business opportunities and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- reduce our ability to make acquisitions or expand our business;
- make it more difficult for us to satisfy our debt obligations, and any failure to comply with such obligations, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness, which could lead to, among other things, an acceleration of our indebtedness or foreclosure on the assets securing our indebtedness, which could have a material adverse effect on our business or financial condition;
- limit our ability to borrow additional funds, or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes; and
- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates.

We may not generate sufficient cash flow from operations to service and repay our debt and related obligations and have sufficient funds left over to achieve or sustain profitability in our operations, meet our working capital and capital expenditure needs or compete successfully in our industry.

We will require a significant amount of cash to service and repay our outstanding indebtedness, fund future capital expenditures, and our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and repay our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. It is possible that:

- our business will not generate sufficient cash flow from operations to service and repay our debt and to fund working capital requirements and future capital expenditures;
- future borrowings will not be available under our current or future credit facilities in an amount sufficient to enable us to refinance our debt; or
- we will not be able to refinance any of our debt on commercially reasonable terms or at all.

Our revolving credit facility, bonds and secured debt facility impose, and the terms of any future indebtedness may impose, significant operating, financial and other restrictions on us and our subsidiaries.

Restrictions imposed by our revolving credit facility, secured debt facility and bonds may limit or prohibit, among other things, our ability to:

- incur additional indebtedness;
- pay dividends on or redeem or repurchase our common shares;
- enter into new lines of business;
- issue capital stock of our subsidiaries;
- make loans and certain types of investments;
- incur liens;
- sell certain assets or merge with or into other companies or acquire other companies;

- enter into certain transactions with shareholders and affiliates; and
- restrict dividends, distributions or other payments from our subsidiaries.

We are also required to comply with certain financial ratio covenants. These restrictions could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. A breach of any of these restrictions, including a breach of financial covenants, could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and fees, to be immediately due and payable and proceed against any collateral securing that indebtedness, which will constitute substantially all of our container assets.

If we are unable to enter into interest rate swaps and caps on reasonable commercial terms or if a counterparty under our interest rate swap and cap agreements defaults, our exposure associated with our variable rate debt could increase.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving credit facility and our secured debt facility and intend to use borrowings under our revolving credit facility and our secured debt facility for such funding in the future. In 2001 and 2005, at such time as the secured debt facility reached an appropriate size, the facility was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the secured debt facility nears its maximum size. As of February 28, 2011, we had (i) outstanding borrowings of $77.0 million under our revolving credit facility, (ii) $218.9 million outstanding under our bonds payable and (ii) $668.5 million of outstanding borrowings under our secured debt facility. All of these outstanding amounts are subject to variable interest rates. We have entered into various interest rate swap and cap agreements to mitigate our exposure associated with variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate. Our interest rate swap agreements have termination dates through December 2015. Our interest rate cap agreements have termination dates through November 2015. There can be no assurance that these interest rate caps and swaps will be available in the future, or if available, will be on terms satisfactory to us. If we are unable to obtain such interest rate caps and swaps or if a counterparty under our interest rate swap and cap agreements defaults, our exposure associated with our variable rate debt could increase.

Environmental liability and regulations may adversely affect our business, results of operations and financial condition.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air, ground and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and costs arising out of third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under or compliance with environmental laws and regulations in connection with our or our lessees' current or historical operations. Under some environmental laws in the U.S. and certain other countries, the owner or operator of a container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from the container without regard to the fault of the owner or operator. While we typically maintain certain limited liability insurance and typically require lessees to provide us with indemnity against certain losses, the insurance coverage may not be sufficient to protect against any or all liabilities and such indemnities may not be sufficient, or available, to protect us against losses arising from environmental damage. Moreover, our lessees may not have adequate resources, or may refuse to honor their indemnity obligations and our insurance coverage is subject to large deductibles, coverage limits and significant exclusions.

We may be affected by potential global climate change or by legal, regulatory or market responses to such potential change.

Concern over climate change, including the impact of global warming, has led to significant U.S. and international legislative and regulatory efforts to limit greenhouse gas emissions. For example, in the past several years, the U.S. Congress has considered various bills that would regulate greenhouse gas emissions. While these bills have not yet received sufficient Congressional support for enactment, some form of federal climate change legislation is possible in the future. Even in the absence of such legislation, the Environmental Protection Agency, spurred by judicial interpretation of the Clean Air Act, may regulate greenhouse gas emissions, and this could impose substantial costs on our customers. Until the timing, scope and extent of any future regulation becomes known, we cannot predict its direct or indirect effect on our business, cash flows, results of operations, financial condition and share price. It is reasonably possible, however, that such legislation or regulation could impose material costs on the container shipping industry. Moreover, even without such legislation or regulation, increased awareness and any adverse publicity in the global market place about greenhouse gas emissions emitted by companies in the container shipping industries could harm their reputation and reduce customer demand for our services.

We could face litigation involving our management of containers for container investors.

We manage containers for container investors under management agreements that are negotiated with each container investor. We make no assurances to container investors that they will make any amount of profit on their investment or that our management activities will result in any particular level of income or return of their initial capital. We believe that as the number of containers that we manage for container investors increases, the possibility that we may be drawn into litigation relating to these managed containers may also increase. Although our management agreements contain contractual protections and indemnities that are designed to limit our exposure to such litigation, such provisions may not be effective, and we may be subject to a significant loss in a successful litigation by a container investor.

Certain liens may arise on our containers.

Depot operators, manufacturers, repairmen and transporters may come into possession of our containers from time to time and have amounts due to them from the lessees or sublessees of the containers. In the event of nonpayment of those charges by the lessees or sublessees, we may be delayed in, or entirely barred from, repossessing the containers, or be required to make payments or incur expenses to discharge such liens on our containers.

We may not always pay dividends on our common shares.

We may not be able to pay future dividends because they depend on future earnings, capital requirements, and financial condition. The declaration and payment of future dividends is at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year. In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) our revolving credit facility, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as (i) a minimum net worth level (which level would decrease by the amount of any dividend paid) and (ii) a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid). The reduction or elimination of dividends may negatively affect the market price of our common shares. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

The calculation of our income tax expense requires significant judgment and the use of estimates.

We periodically assess tax positions based on current tax developments, including enacted statutory, judicial and regulatory guidance. In analyzing our overall tax position, consideration is given to the amount and timing of recognizing income tax liabilities and benefits. In applying the tax and accounting guidance to the facts and circumstances, income tax balances are adjusted appropriately through the income tax provision. We maintain reserves for income tax positions related to uncertainties that we believe are not more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. However, due to the significant judgment required in estimating those reserves, actual amounts paid, if any, could differ significantly from these estimates.

Future changes in accounting rules could significantly impact how both we and our customers account for our leases.

Our consolidated financial statements are prepared in accordance with GAAP. The Financial Accounting Standards Board ("FASB") and International Accounting Standards Board ("IASB") have recently issued a jointly-developed proposal on lease accounting that could significantly change the accounting and reporting for lease arrangements. The main objective of the proposed standard is to create a new accounting model for both lessees and lessors, replacing the existing concepts of operating and capital leases with models based on "right-of-use" concepts. The new models would result in the elimination of most off-balance sheet lease financing for lessees. Lessors would apply one of two models depending upon whether the lessor retains exposure to significant risks or benefits of the underlying assets. The FASB's document is in the form of an exposure draft of a proposed Accounting Standards Update, *Leases (Topic 840)* ("ED"), issued in August 2010, and would apply to the accounting for all leases, with some exceptions. The ED also includes expanded disclosures including quantitative and qualitative information to enable users to understand the amount and timing of expected cash flows, for both lessors and lessees. The proposals set out in the ED were open for comment until December 15, 2010. After considering constituents' comments, the FASB and IASB agreed in January 2011 that more work is needed to address the shortfalls of the lessor accounting proposals but tentatively decided to initially limit lessor accounting discussions to only those issues that are critical to both lessees and lessors. As the project progresses, the FASB and IASB will decide whether changes are needed to the lessor accounting requirements under current GAAP and International Financial Reporting Standards and, if so, whether the changes would be made as part of the current leases project or as part of a future separate project. A final standard is targeted to occur by June 30, 2011. If there are future changes in GAAP with regard to how we and our customers must account for leases, it could change the way we and our customers conduct our businesses and, therefore, could have the potential to have an adverse effect on our business.

Risks Related to Our Common Shares

The market price and trading volume of our common shares, which may be affected by market conditions beyond our control, have been volatile and could continue to remain volatile.

The market price of our common shares has been, and may continue to be highly volatile and subject to wide fluctuations. In addition, the trading volume in our common shares has fluctuated and may continue to fluctuate, causing significant price variations to occur. Since our initial public offering, our common shares have fluctuated from an intra-day low of $4.23 per share to an intra-day high of $35.93 per share. If the market price of the shares declines significantly, the value of an investment in our common shares would decline. The market price of our common shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our common shares or result in fluctuations in the price or trading volume of our common shares include:

- variations in our quarterly operating results;
- failure to meet analysts' earnings estimates;

- publication of research reports about us, other intermodal container lessors or the container shipping industry or the failure of securities analysts to cover our common shares or our industry;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preference or common shares we may issue in the future;
- changes in our dividend payment policy or failure to execute our existing policy;
- actions by shareholders;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community;
- changes or proposed changes in laws or regulations affecting the container shipping industry or enforcement of these laws and regulations, or announcements relating to these matters; and
- deleveraging associated with the global financial crisis.

Recently and in the past, the stock market has experienced extreme price and volume fluctuations. These market fluctuations could result in extreme volatility in the trading price of our common shares, which could cause a decline in the value of your investment in our common shares. In addition, the trading price of our common shares could decline for reasons unrelated to our business or financial results, including in reaction to events that affect other companies in our industry even if those events do not directly affect us. You should also be aware that price volatility may be greater if the public float and trading volume of our common shares are low.

One of our shareholders, Halco Holdings Inc., is a company owned by a trust in which Trencor and certain of its affiliates are discretionary beneficiaries and could act in a manner with which other shareholders may disagree or that is not necessarily in the interests of other shareholders.

Halco Holdings Inc. (“Halco”) currently beneficially owns approximately 61.2% update of our issued and outstanding common shares. Accordingly, Halco has the ability to influence the outcome of matters submitted to our shareholders for approval, including the election of directors and any amalgamation, merger, consolidation or sale of all or substantially all of our assets. Six of our eleven directors are also directors of Trencor. In addition, Halco has the ability to control the management and affairs of our company. Halco may have interests that are different from yours. For example, it may support proposals and actions with which you may disagree or which are not in your interests as a shareholder of our company. The concentration of ownership could delay or prevent a change in control of us or otherwise discourage a potential acquirer from attempting to obtain control of us, which in turn could reduce the price of our common shares.

Affiliates of Halco and Trencor may compete with us and compete with some of our customers.

Halco and Trencor, through their affiliates, are free to compete with us, and have engaged in the past and will likely continue to engage in businesses that are similar to ours. In particular, Leased Assets Pool Company Limited (“LAPCO”), an affiliate of Halco, owns containers, has competed against us and our customers through its investment in containers and has used our competitors to manage some of its containers in the past. Thus, although we have a management agreement with LAPCO to manage a majority of its containers, we expect that we will continue to compete with LAPCO in the future, which may result in various conflicts of interest.

Our current management and share ownership structure may create conflicts of interest.

Six of our eleven directors are also directors of Trencor. These directors owe fiduciary duties to each company and may have conflicts of interest in matters involving or affecting us and Trencor, including matters arising under our agreements with Trencor and its affiliates. In addition, to the extent that some of these directors may own shares in Trencor, they may have conflicts of interest when faced with decisions that could have different implications for Trencor than they do for us. Furthermore, Trencor, as a South African company, endorses for itself and for its subsidiaries, the Code of Corporate Practices and Conduct in the King II Report on Corporate Governance. The King II Report on Corporate Governance is a document promulgated by the South African Institute of Directors which, among other things, suggests that corporations in their corporate decision-making consider the following stakeholders in addition to the owners of shares: parties who contract with the enterprise; parties who have a non-contractual nexus with the enterprise (including civic society and the environment); and the state. Trencor may seek to or be required to impose these corporate governance practices on us, which may result in constraints on management and may involve significant costs. Your interests as a holder of our common shares may not align with the interests of Trencor and its affiliates and shareholders.

We are a holding company with no material direct operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and to pay dividends.

We are a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries, which own our operating assets. As a result, we are dependent on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends on our common shares. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. If we are unable to obtain funds from our subsidiaries, we may be unable to, or our board may exercise its discretion not to, pay dividends on our common shares.

Our ability to issue securities in the future may be materially constrained by Trencor's South African currency restrictions and JSE Listings Requirements.

Trencor, a South African company listed on the JSE, has beneficiary interest in a majority of our share capital. Six of our eleven directors are also directors of Trencor. Both South African exchange control authorities and the JSE impose certain restrictions on Trencor.

South Africa's exchange control regulations provide for restrictions on exporting capital from South Africa. These restrictions require Trencor to obtain approval from South African exchange control authorities before engaging in transactions that would result in dilution of their share interest in us below certain thresholds, whether through their sale of their own shareholdings or through their approval of our issuance of new shares. The exchange control authorities may decide not to grant such approval if a proposed transaction were to dilute Trencor's beneficiary interest in us below certain levels. While the South African government has, to some extent, relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the future. The above requirements could restrict or limit our ability to issue new shares. In addition, Trencor is required to comply with JSE Listings Requirements in connection with its holding or sale of our common shares.

Trencor currently has an indirect beneficiary interest in 61.2% of our issued and outstanding shares. The above requirements could limit our financial flexibility by, among other things, impacting our future ability to raise funds through the issuance of securities, preventing or limiting the use of our common shares as consideration in acquisitions, and limiting our use of option grants and restricted share grants to our directors, officers and other employees as incentives to improve the financial performance of our company.

It may not be possible for investors to enforce U.S. judgments against us.

We and all of our subsidiaries, except Textainer Equipment Management (U.S.) Limited, are incorporated in jurisdictions outside the U.S. A substantial portion of our assets and those of our subsidiaries are located outside of the U.S. In addition, most of our directors are non-residents of the U.S., and all or a substantial portion of the assets of these non-residents are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon us, our non-U.S. subsidiaries, or our directors, or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries are located would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws, or would enforce, in original actions, liabilities against us or our subsidiaries based on those laws.

We are a foreign private issuer and, as a result, under New York Stock Exchange ("NYSE") rules, we are not required to comply with certain corporate governance requirements.

As a foreign private issuer, we are permitted by the NYSE to comply with Bermuda corporate governance practice in lieu of complying with certain NYSE corporate governance requirements. This means that we are not required to comply with NYSE requirements that:

- the board of directors consists of a majority of independent directors;
- independent directors meet in regularly scheduled executive sessions;
- the audit committee satisfy NYSE standards for independence (although we must still comply with independence standards pursuant to Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"));
- the audit committee have a written charter addressing the committee's purpose and responsibilities;
- we have a nominating and corporate governance committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we have a compensation committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we establish corporate governance guidelines and a code of business conduct;
- our shareholders approve any equity compensation plans; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

Our board of directors has adopted an audit committee charter, a compensation committee charter and a nominating and governance committee charter. However, we use some of the exemptions available to a foreign private issuer. As a result, our board of directors may not consist of a majority of independent directors and our compensation committee may not consist of any or a majority of independent directors. Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Market interest rates may have an effect on the trading value of our common shares.

One of the factors that investors may consider in deciding whether to buy or sell our common shares is our dividend rate, as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher dividend yield on our common shares or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market value of our common shares.

If securities analysts do not publish research or reports about our business or if they change their financial estimates or investment recommendation, the price of our common shares could decline.

The trading market for our common shares relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control or influence the decisions or opinions of these analysts and analysts may not cover us. If any analyst who covers us changes his or her financial estimates or investment recommendation, the price of our common shares could decline. If any analyst ceases coverage of our company or our industry, we could lose visibility in the market, which in turn could cause our share price to decline.

Required public company corporate governance and financial reporting practices and policies have increased our costs, and we may be unable to provide the required financial information in a timely and reliable manner.

We are subject to the reporting requirements of the Exchange Act and the other rules and regulations of the SEC. The SEC, as directed by Section 404 of the Sarbanes-Oxley Act of 2002, has adopted rules that require us to conduct an assessment by management of the effectiveness of our internal controls over financial reporting. In addition, our independent auditors must attest to and report on the effectiveness of such internal controls over financial reporting. Our management may not be able to meet the regulatory compliance and reporting requirements that are applicable to us as a public company. If we are not able to meet the regulatory and reporting requirements that are applicable to us as a public company, our independent auditors may not be able to attest as to the effectiveness of our internal controls over financial reporting. This result may subject us to adverse regulatory consequences, and could lead to a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if we disclose material weaknesses in our internal controls. In addition, if we fail to maintain effective controls and procedures, we may be unable to provide the required financial information in a timely and reliable manner or otherwise comply with the standards applicable to us as a public company. Any failure by us to timely provide the required financial information could materially and adversely impact our financial condition and the market value of our common shares. Furthermore, testing and maintaining internal controls can divert our management's attention from other matters that are important to our business. These regulations have increased our legal and financial compliance costs, we expect the regulations to make it more difficult to attract and retain qualified officers and directors, particularly to serve on our audit committee, and make some activities more difficult, time consuming and costly.

Our failure to comply with required public company corporate governance and financial reporting practices and regulations could materially and adversely impact our financial condition, operating results and the price of our common shares.

The Sarbanes-Oxley Act of 2002 requires that we maintain effective internal controls for financial reporting and disclosure controls and procedures. If we do not maintain compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or if we or our independent registered public accounting firm identify deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, we could suffer a loss of investor confidence in the reliability of our financial statements, which could cause the market price of our stock to decline. We can also be subject to sanctions or investigations by the NYSE, the Securities and Exchange Commission or other regulatory authorities for failure to comply with public company corporate governance and financial reporting practices and regulations.

Our internal controls over financial reporting may not detect all errors or omissions in the financial statements.

Section 404 of the Sarbanes-Oxley Act requires an annual management assessment of the effectiveness of internal controls over financial reporting and a report by our independent registered public accounting firm. If we

fail to maintain the adequacy of internal controls over financial accounting, we may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with the Sarbanes-Oxley Act of 2002 and related regulations. Although our management has concluded that adequate internal control procedures are currently in place, no system of internal controls can provide absolute assurance that the financial statements are accurate and free of material errors. As a result, the risk exists that our internal controls may not detect all errors or omissions in the financial statements.

Future sales of a large number of our securities into the public market, or the expectation of such sales, could cause the market price of our common shares to decline significantly.

Sales of substantial amounts of common securities into the public market, or the perception that such sales will occur, may cause the market price of our common shares to decline significantly. We filed a universal shelf registration statement on Form F-3 with the SEC that became effective on January 18, 2011. Under the shelf registration statement, we may from time to time sell common shares, preference shares, debt securities, warrants, rights and units in one or more offerings up to a total dollar amount of $550.0 million. The price of our shares could be negatively impacted if we undertake an offering to sell securities pursuant to our universal shelf registration statement. In addition, at our 2010 Annual General Meeting of Shareholders held on May 19, 2010, our shareholders approved an amendment to our 2007 Share Incentive Plan to increase the maximum number of our common shares issuable pursuant to such plan by 1,468,500 shares from 3,808,371 shares to 5,276,871 shares. The common shares to be issued pursuant to awards under our 2007 Share Incentive Plan have been registered on registration statements on Form S-8 filed with the SEC and, when issued, will be freely tradable under the Securities Act. Further, effective February 15, 2008, the SEC revised Rule 144, which provides a safe harbor for the resale of restricted securities, shortening applicable holding periods and easing other restrictions and requirements for resales by our non-affiliates, thereby enabling an increased number of our outstanding restricted shares to be resold sooner into the public market. If, as a result of the foregoing, a large number of our common shares are sold into the public market, or if there is an expectation of such sales, these sales or expectations of these sales, could reduce the trading price of our common shares and impede our ability to raise future capital.

We have anti-takeover provisions in our bye-laws that may discourage a change of control.

Bermuda law and our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These include provisions:

- requiring the approval of not less than 66% of our issued and outstanding voting shares for a merger or amalgamation transaction that has not been approved by our board of directors;
- prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person becomes an interested shareholder, unless certain conditions are met;
- authorizing our board of directors to issue blank-check preference shares without shareholder approval;
- establishing a classified board with staggered three-year terms;
- only authorizing the removal of directors (i) for cause by the affirmative vote of the holders of a majority of the votes cast at a meeting or (ii) without cause by the affirmative vote of the holders of 66% of the common shares then issued and outstanding and entitled to vote on the resolution; and
- establishing advance notice requirements for nominations for election to our board of directors.

These provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management and/or our board of directors. Public shareholders who might desire to participate in these types of transactions may not have an opportunity to do so. These anti-takeover provisions could substantially impede the ability of public shareholders to benefit from a change in

control or change our management and board of directors and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

As a shareholder of our company, you may have greater difficulties in protecting your interests than as a shareholder of a U.S. corporation.

The Companies Act 1981 of Bermuda, as amended (the "Companies Act"), applies to our company and differs in material respects from laws generally applicable to U.S. corporations and their shareholders. Taken together with the provisions of our bye-laws, some of these differences may result in your having greater difficulties in protecting your interests as a shareholder of our company than you would have as a shareholder of a U.S. corporation. This affects, among other things, the circumstances under which transactions involving an interested director are voidable, whether an interested director can be held accountable for any benefit realized in a transaction with our company, what approvals are required for business combinations by our company with a large shareholder or a wholly-owned subsidiary, what rights you may have as a shareholder to enforce specified provisions of the Companies Act or our bye-laws, and the circumstances under which we may indemnify our directors and officers.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our business began operations in 1979. We reorganized our business in 1993 and incorporated Textainer Group Holdings Limited under the laws of Bermuda as a holding company of a group of corporations involved in the purchase, ownership, management, leasing and disposal of a fleet of intermodal containers. Textainer Group Holdings Limited is incorporated with an indefinite duration under registration number EC18896. Textainer Group Holdings Limited's common shares are listed on the New York Stock Exchange ("NYSE"). Our agent in the United States is Ernest J. Furtado, Textainer Group Holdings Limited, c/o Textainer Equipment Management (U.S.) Limited, 650 California Street, 16 th Floor, San Francisco, CA 94108. Textainer Group Holdings Limited's registered office is located at 16 Par-La-Ville Road, Hamilton HM 08 Bermuda and our telephone number is (441) 296-2500.

Textainer Group Holdings Limited has two directly-owned subsidiaries:

- Textainer Equipment Management Limited ("TEM"), our wholly-owned subsidiary incorporated in Bermuda, which provides container management, acquisition and disposal services to affiliated and unaffiliated container investors and
- Textainer Limited ("TL"), our wholly-owned subsidiary incorporated in Bermuda, which owns containers directly and via a subsidiary, Textainer Marine Containers Limited ("TMCL"), in which TL and TCG Fund I, L.P. ("TCG") currently hold voting interests of 75% and 25%, respectively.

Our internet website address is www.textainer.com. The information contained on, or that can be accessed through, our website is not incorporated into and is not intended to be a part of this Annual Report on Form 20-F.

Significant Events

On January 3, 2008, we announced that we had entered the refrigerated container market. We purchased approximately $50.9 million, $45.3 million and $48.2 million of new refrigerated containers in 2010, 2009 and 2008, respectively, for our owned and managed fleet.

On April 22, 2008, we terminated TL's then revolving credit facility and replaced this revolving credit facility with a new credit agreement with the same banks that were party to TL's original credit facility, as well as additional banks, to provide a new revolving credit facility (the "2008 Credit Facility") in an aggregate commitment amount of up to $205.0 million (which also includes within such amount a $50.0 million letter of credit facility). The 2008 Credit Facility provides for payments of interest only during its term beginning on its inception date through April 22, 2013 when all borrowings are due in full. Interest on the outstanding amount due under the 2008 Credit Facility at December 31, 2010 was based either on the U.S. prime rate or London Inter Bank Offered Rate ("LIBOR") plus a spread between 0.5% and 1.5%, which varies based on TGH's leverage. There is also a commitment fee of 0.20% to 0.30% on the unused portion of the 2008 Credit Facility, which is payable monthly in arrears.

During the first half of 2009, we re-purchased $39.9 million of our bonds for $20.2 million, resulting in a gain on early extinguishment of debt of $19.4 million, net of the write-off of $0.3 million of deferred debt financing costs (a $15.3 million gain net of related net income attributable to noncontrolling interest and income tax expense).

On April 15, 2009, we purchased the exclusive rights to manage the approximately 145,000 TEU container fleet of Amphibious Container Leasing Limited ("Amficon") for $10.6 million. The purchase price will be fully amortized over the expected 11-year life of the contract on a pro-rata basis to the expected management fees. On October 1, 2009, we purchased approximately 53,000 TEU of the containers that we had been managing for Amficon for $63.7 million.

On June 12, 2009, we purchased the exclusive rights to manage the approximately 154,000 TEU container fleet of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively "Capital Intermodal") for $3.0 million. The purchase price will be fully amortized over the expected 11-year life of the contract on a pro-rata basis to the expected management fees.

On July 16, 2009, we completed a purchase-leaseback transaction for approximately 28,900 containers with a shipping line for $11.9 million. The total purchase price and leaseback rental rates were below market rates. The purchase price was allocated based on the fair value of the assets and liabilities acquired.

On August 1, 2009, we purchased approximately 28,700 containers that we had been managing for a large institutional investor, including related accounts receivable, due from owners, net, accounts payable and accrued expenses for a purchase price of $34.2 million.

On September 1, 2009, we entered into a trading deal with a shipping line for more than 11,000 containers. This was the tenth trading transaction with the same customer since 1996, demonstrating our ability to earn repeat business through long-term, mutually beneficial relationships with our customers. Over 4,000 and 6,100 of these containers were sold during 2010 and 2009, respectively, making a contribution to our earnings.

On June 29, 2010, we extended our secured debt facility by prepaying the Series 2000-1 Notes that comprised the secured debt facility and issuing new Series 2010-1 Notes, simultaneously increasing the aggregate commitment under this facility from $475.0 million to $750.0 million and, on March 15, 2011, we exercised an option to increase the aggregate commitment under this facility from $750.0 million to $850.0 million. The secured debt facility provides for payments of interest only during an initial two-year revolving

period, with a provision for the secured debt facility to then convert to a 10-year, but not to exceed 15-year amortizing note payable. Interest on the outstanding amount due under the secured debt facility is payable monthly in arrears and equals LIBOR plus 2.75% during an initial two-year revolving period. There is also a commitment fee of 0.75% on the unused portion of the secured debt facility until December 31, 2010, which was payable monthly in arrears. After December 31, 2010, during the remainder of the two-year revolving period, the commitment fee on the unused portion of the secured debt facility will be 0.75% if total borrowings under the secured debt facility equal 50% or more of the total commitment or 1.00% if total borrowings are less than 50% of the total commitment.

On November 1, 2010, TL purchased approximately 23,400 containers that we had been managing for a large institutional investor, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for a purchase price of $36.4 million.

Effective January 18, 2011, we filed a universal shelf registration statement on Form F-3 with the SEC, under which we may sell common shares, preference shares, debt securities, warrants, rights and units in one or more offerings up to a total dollar amount of $550.0 million.

Principal Capital Expenditures

Our capital expenditures for containers in our owned fleet and fixed assets for fiscal years 2010, 2009 and 2008 were $419.7 million, $144.3 million and $320.2 million, respectively. We received proceeds from the sale of containers and fixed assets for fiscal years 2010, 2009 and 2008 of $75.5 million, $58.8 million and $68.3 million, respectively. In addition, we announced on January 3, 2008 that we had entered the refrigerated container market and have since been expanding our fleet in that market.

As all of our containers are used internationally, where no one container is domiciled in one particular place for a prolonged period of time, all of our long-lived assets are considered to be international with no single country of use. Our capital requirements are primarily financed through cash flows from operations, our secured debt facility and our 2008 Credit Facility.

B. Business Overview

Our Company

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size, with a total fleet of 1.5 million containers, representing over 2,300,000 TEU. We lease containers to more than 400 shipping lines and other lessees, including each of the world's top 20 container lines, as measured by the total TEU capacity of their container vessels ("container vessel fleet size"). We believe we are one of the most reliable lessors of containers, in terms of consistently being able to supply containers in locations where our customers need them. We have provided an average of more than 107,000 TEU of new containers per year for the past 10 years, and have been one of the largest buyers of new containers among container lessors over the same period. We are one of the largest sellers of used containers among container lessors, having sold more than 77,000 containers during the last year to more than 1,100 customers. We provide our services worldwide via a network of regional and area offices and independent depots. Trencor, a company publicly traded on the JSE Limited (the "JSE") in Johannesburg, South Africa, and its affiliates currently have beneficiary interest in a majority of our issued and outstanding common shares.

We operate our business in three core segments.

- *Container Ownership*. As of December 31, 2010, we owned containers accounting for approximately 51% of our fleet.

- *Container Management*. As of December 31, 2010, we managed containers on behalf of 16 affiliated and unaffiliated container investors, providing acquisition, management and disposal services. We also supply leased containers to the U.S. military pursuant to a contract with the Surface Deployment and Distribution Command ("SDDC") and earn a fee for supplying and managing its fleet of leased containers. We are the main supplier of leased intermodal containers to the U.S. military. Total managed containers account for 49% of our fleet.
- *Container Resale*. We generally sell containers from our fleet when they reach the end of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering location, sale price, the cost of repair, and possible repositioning expenses. We also purchase and lease or resell containers from shipping line customers, container traders and other sellers of containers.

In 2010, we reviewed our reportable segments and determined that our previously reported Military management segment was not materially different from our Container management segment. Accordingly, we reclassified balances that were previously reported in our Military management segment into our Container management segment.

Our total revenues primarily consist of leasing revenues derived from the lease of our owned containers and, to a lesser extent, fees received for managing containers owned by third parties, equipment resale and military management. The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee income exceed our operating costs. The key drivers of our revenues are fleet size, rental rates and utilization. Our operating costs primarily consist of depreciation and amortization, interest expense, direct operating expenses and administrative expenses. Our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities.

We believe that our strategy of owning containers as well as managing containers for other container investors offers several benefits, including:

- a larger fleet, which enables us to serve our shipping line customers more effectively;
- an enhanced franchise value, market presence and economies of scale associated with a larger fleet;
- the ability to leverage our existing infrastructure and workforce without increasing the capital at risk; and
- a more balanced revenue and expense model.

In general, owning containers during periods of high demand for containers provides higher margins than managing containers, since we receive lease revenues for the containers that we own but only a percentage of the net operating income of the containers as a management fee for the containers that we manage. On the other hand, managing containers during periods of low demand for containers reduces the negative financial impact of such periods since the container investors bear the cost of owning the containers.

For 2010, we generated revenues, income from operations and income before income tax and noncontrolling interest of $303.9 million, $171.8 million and $138.3 million, respectively. For the fiscal year ended December 31, 2010, the average utilization of our owned fleet was 95.4%. As mentioned above, we operate in three reportable segments: Container ownership, Container management and Container resale. In 2010, we reviewed our reportable segments and determined that our previously reported Military management segment was not materially different from our Container management segment. Accordingly, we reclassified balances that were previously reported in our Military management segment into our Container management segment. The following tables summarize revenues, by category of activity, and income before taxes generated from each of our operating segments reconciled to our total revenues and income before taxes shown in our consolidated

statements of income included in Item 18, *"Financial Statements"* in this Annual Report on Form 20-F for the fiscal years ended December 31, 2010, 2009 and 2008:

2010	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 234,577	$ 1,250	$ —	$ —	$ —	$ 235,827
Management fees	—	48,028	10,086	—	(28,977)	29,137
Trading container sales proceeds	—	—	11,291	—	—	11,291
Gains on sale of containers, net	27,617	7	—	—	—	27,624
Total revenues	$ 262,194	$ 49,285	$ 21,377	$ —	$ (28,977)	$ 303,879
Segment income before taxes	$ 119,772	$ 15,901	$ 7,995	$ (2,815)	$ (2,596)	$ 138,257
2009						
Lease rental income	$ 188,431	$ 1,348	$ —	$ —	$ —	$ 189,779
Management fees	—	37,384	9,601	—	(21,757)	25,228
Trading container sales proceeds	—	—	11,843	—	—	11,843
Gains on sale of containers, net	12,114	(3)	—	—	—	12,111
Total revenues	$ 200,545	$ 38,729	$ 21,444	$ —	$ (21,757)	$ 238,961
Segment income before taxes	$ 95,178	$ 9,981	$ 7,993	$ (2,686)	$ (1,665)	$ 108,801
2008						
Lease rental income	$ 194,795	$ 3,805	$ —	$ —	$ —	$ 198,600
Management fees	—	44,643	9,113	—	(25,153)	28,603
Trading container sales proceeds	—	—	36,294	—	—	36,294
Gains on sale of containers, net	17,823	(2)	—	—	—	17,821
Total revenues	$ 212,618	$ 48,446	$ 45,407	$ —	$ (25,153)	$ 281,318
Segment income before taxes	$ 67,908	$ 17,598	$ 13,223	$ (2,563)	$ (3,115)	$ 93,051

General and administrative expenses are allocated to the reportable business segments based on direct overhead costs incurred by those segments. Amounts reported in the "Other" column represent activity unrelated to the active reportable operating segments. Amounts reported in the "Eliminations" column represent inter-segment management fees between the container management and container ownership segments.

Our container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from these international carriers when the containers are on lease. Substantially all of our leasing related revenues are denominated in U.S. dollars.

In the past, we have principally leased dry freight containers, which are by far the most common of the three principal types of intermodal containers. Dry freight intermodal containers are large, standardized steel boxes used to transport cargo by multiple modes of transportation, including ships, trains and trucks. We also lease refrigerated containers, which have integral refrigeration units on one end that generally plug into an outside power source and are used to transport perishable goods. Compared to traditional shipping methods, intermodal containers typically provide users with faster loading and unloading as well as some protection from weather and potential theft, thereby reducing both transportation costs and time to market for our lessees' customers.

We primarily lease containers under four different types of leases. Term leases, which provide a customer with a specified number of containers for a specified period of time, typically ranging from three to five years, with an associated set of pick-up and drop-off conditions, represented 72.8 % of our total on hire fleet as of

December 31, 2010. Master leases, which provide a framework of terms and conditions valid for a specified period of time, typically one year, give customers greater flexibility than is typical in term leases and represented 20.6% of our total on hire fleet as of December 31, 2010. Spot leases, which provide the customers with containers for a relatively short lease period and fixed pick-up and drop-off locations, represented 2.9% of our total on hire fleet as of December 31, 2010. Finance leases, which provide customers an alternative means for purchasing containers, represented 3.7% of our total on hire fleet as of December 31, 2010.

Our expertise and flexibility in managing containers after their initial lease is an important factor in our success. The administrative process of leasing new containers is relatively easy because initial leases for new containers typically cover large volumes of units and are fairly standardized transactions. However, to successfully compete in our industry, we must not only obtain favorable initial long-term leases for new containers, but also increase the return generated by these containers throughout their useful life in marine service and their ultimate sale into the secondary market. To do that, we focus on renewing or extending our long-term container leases beyond their expiration date (typically three to five years from the start of the lease). In addition, we attempt to negotiate favorable return provisions, maintain an active presence in the master and spot lease markets, and work to increase our options for disposing of off-lease containers so that we have attractive alternatives if it is not possible to achieve reasonable renewal or extension of terms with the current lessee. Unlike some of our competitors, we have the capability and the infrastructure to re-lease or dispose of our containers at comparatively attractive terms, which increases our leverage with the lessees.

We believe that we have the ability to reposition containers that are returned in lower demand locations to higher demand locations at relatively low cost as a result of our experienced logistics team. Our large customer base of more than 400 lessees increases our ability to re-lease containers under master and other short-term lease terms. Our contract to supply leased containers to the U.S. military enables us to supply containers in their demand locations, which are often lower demand locations for our shipping line customers. Our Container Resale segment is also positioned to sell the containers and optimize their residual value in multiple markets, including lower demand locations. This “life cycle” system of generating an attractive revenue stream from and achieving high utilization of our container fleet has enabled us to become the world’s largest container lessor and led to 24 consecutive years of profits.

Industry Overview

Containers are built in accordance with standard dimensions and weight specifications established by the International Organization for Standardization (“ISO”). The industry-standard measurement unit is the Twenty-Foot Equivalent Unit (“TEU”), which compares the length of a container to a standard 20’ container. For example, a 20’ container is equivalent to one TEU and a 40’ container is equivalent to two TEU. Standard dry freight containers are typically 8’ wide, come in lengths of 20’, 40’ or 45’ and are either 8’6” or 9’6” high. The three principal types of containers are described as follows:

- *Dry freight standard containers*. A dry freight standard container is constructed of steel sides, roof, an end panel on one end and a set of doors on the other end, a wooden floor and a steel undercarriage. Dry freight standard containers are the least expensive and most commonly used type of container. They are used to carry general cargo, such as manufactured component parts, consumer staples, electronics and apparel. According to the latest available data, dry freight standard containers comprised approximately 85.7% of the worldwide container fleet, as measured in TEU, at mid-2009.
- *Dry freight specialized containers*. Dry freight specialized containers consist of open-top and flat-rack containers. An open-top container is similar in construction to a dry freight standard container except that the roof is replaced with a tarpaulin supported by removable roof bows. A flat-rack container is a heavily reinforced steel platform with a wood deck and steel end panels. Open-top and flat-rack containers are generally used to transport heavy or oversized cargo, such as marble slabs, building products or machinery. According to the latest available data, dry freight specialized containers comprised approximately 3.5% of the worldwide container fleet, as measured in TEU, at mid-2009.

- *Other containers*. Other containers include refrigerated containers, tank containers, 45' containers, pallet-wide containers and other types of containers. The two most prominent types of such containers are refrigerated containers and tank containers. A refrigerated container has an integral refrigeration unit on one end which generally plugs into an outside power source and is used to transport perishable goods. Tank containers are used to transport liquid bulk products such as chemicals, oils, and other liquids. According to the latest available data, other containers comprised approximately 10.8% of the worldwide container fleet, as measured in TEU, at mid-2009.

Containers provide a secure and cost-effective method of transportation because they can be used in multiple modes of transportation, making it possible to move cargo from a point of origin to a final destination without repeated unpacking and repacking. As a result, containers reduce transit time and freight and labor costs, as they permit faster loading and unloading of shipping vessels and more efficient utilization of transportation containers than traditional break bulk shipping methods. The protection provided by containers also reduces damage, loss and theft of cargo during shipment. While the useful economic life of containers varies based upon the damage and normal wear and tear suffered by the container, we estimate that the useful economic life for a standard dry freight container used in intermodal transportation is on average 12 years.

According to *Andrew Foxcroft Container Data UK*, container lessors owned approximately 42% of the total worldwide container fleet of 29.0 million TEU as of January 2011. The percentage of leased containers utilized by shipping lines ranged from 39% to 54% from 1980 through 2010 and may increase in the next few years, given limited access to credit and competing needs for capital expenditures by our customers. Given the uncertainty and variability of export volumes and the fact that shipping lines have difficulty in accurately forecasting their container requirements at different ports, the availability of containers for lease significantly reduces a shipping line's need to purchase and maintain excess container inventory. In addition, leasing a portion of their total container fleets enables shipping lines to serve their manufacturer and retailer customers better by:

- increasing flexibility to manage the availability and location of containers;
- increasing the shipper's ability to meet peak demand requirements, particularly prior to holidays such as Christmas and Chinese New Year; and
- reducing their capital expenditures.

While international containerized trade grew rapidly and was consistently positive for the twenty-six years through 2007, there was a global financial crisis and recession during the second half of 2008, which continued through 2009. With virtually no new standard dry freight containers manufactured from the fourth quarter of 2008 through the end of 2009, we estimate that the world container fleet declined by approximately 4% in 2009 as a result of the continued retirement of older containers in the ordinary course. During this period, container manufacturers lost up to 60% of their skilled workers due to long shutdowns, and had limited production capacity in 2010. Additionally, we have observed that many shipping lines are still seeking to strengthen their respective balance sheets, and therefore may not have the required capital budget to purchase new containers in 2011. Based on industry analyst reports, we expect new container production to be approximately 3.5 million TEU in 2011, compared to approximately 2.4 million TEU in 2010, due to stronger replacement demand, vessel capacity growth of approximately 6.8% and cargo volume growth of approximately 9.7%.

Counterparty risk has been reduced as several major container shipping lines have been able to recapitalize. Despite the continued challenging environment, to date, we have neither seen any bankruptcies among our major customers nor seen any major container shipping line failures.

The shipping business has also been characterized by cyclical swings due to lengthy periods of excess or scarce vessel capacity. We believe that these sustained periods of vessel supply/demand imbalances are mainly a function of the multi-year ordering and production cycle associated with the manufacture of new vessels, which requires shipping lines to estimate market growth many years into the future. Container leasing companies are

partially insulated from the risks of these shipping cycles by the relatively short production time associated with the manufacture of new containers. Lead-times for new container orders are typically only a few months, so the rate of new container ordering can be quickly adjusted to reflect unexpected market changes.

Additionally, for most leasing companies, the percentage of containers on long-term lease has grown over the past ten years, while the percentage on master lease has declined. As of December 31, 2010, approximately 73% of our total on hire fleet was on long-term leases, compared to approximately 38% ten years ago. As a result, changes in utilization have become less volatile for most leasing companies.

According to *Andrew Foxcroft Container Data UK*, intermodal leasing companies, as ranked by total TEU as of January 2011, are as follows:

Company	TEU(1)
Textainer Group	2,310
Triton Container Intl.	1,770
Florens Group(2)	1,620
TAL International	1,275
GESeaCo	950
CAI-International Inc.	825
Cronos Group	660
Gold Container	530
SeaCube Container Leasing Ltd.	440
Dong Fang	415
Beacon Intermodal	265
UES International (HK)	270
Other	820
Grand Total	**12,150**

(1) TEU numbers in thousands.

(2) Includes containers leased to Cosco Container Lines.

Competitive Strengths

We believe that we have the following competitive strengths:

- One of our major strengths is our demonstrated ability to generate attractive revenue streams, relative to most of our competitors, throughout the economic life of a container in marine service, which in the past has averaged approximately twelve years. This strength is due to our large size and global scale, experienced management team, proprietary information technology systems, and strong customer relationships.
    - *Largest Container Lessor*. We operate the world's largest fleet of leased intermodal containers. We believe that our scale, global presence, business model and long history have made us one of the more reliable suppliers of leased containers in our industry. We believe that these factors have historically enabled us to supply containers in locations around the world where our customers need them with some consistency.
    - *Experienced Management Team*. Our senior management has a long history in the industry. Our four most senior officers have an average of approximately 19 years of service with us and an average of 24 years in the container leasing industry. They have been through many business cycles, and understand the key drivers of the container leasing business.
    - *Proprietary Information Technology Systems*. We have developed proprietary IT systems that allow us to monitor container status and offer our customers a high level of service. Our systems include

internet-based updates regarding container availability and booking status. We also have the ability to produce complete management reports for each portfolio of containers we own and manage.

- *Strong, Long-standing Relationships with Customers*. Our scale, long presence in the business and reliability as a supplier of containers has resulted in strong relationships with our customers. Our top 25 customers, as measured by revenue, have leased containers from us for an average of over 25 years. Our customers include each of the world's 20 largest shipping lines, as measured by container vessel fleet size.

- We have the international coverage, organization and resources to handle a variety of types of leases. Thus, at the termination of a term lease, we have the ability to either negotiate extending the term lease, accept the return of and re-lease the container, or to sell the containers utilizing our particular expertise in this area. This flexibility allows us more avenues to deploy our containers and therefore better optimizes our return.
  - *Lease Types and Structures.* We structure our initial long-term leases of new containers in an effort to reduce the percentage of containers that can be returned in lower demand locations. Our large customer base and worldwide presence makes us well-positioned to re-lease off-lease containers into a variety of master leases and special leases with other customers. We utilize our expertise in logistics to reposition off-lease containers from lower demand to higher demand locations where they can be re-leased at more attractive terms. Many of the U.S. military's demand locations are surplus locations for our shipping line customers. When containers are off-lease, we can re-lease them if the lease terms are acceptable, sell them at that location, or move them to a higher demand location or a better sale location.
  - *Leading Seller of Used Containers*. We believe we are one of the two largest sellers of used containers among container lessors. We believe that our experience in selling large quantities of containers at attractive prices generally optimizes the residual value of our fleet. It also enables us to serve some of our shipping line customers better by relieving them of the burden of disposing of their containers.
- We are able to mitigate the effects of the cyclical container shipping/leasing industry on our profitability by striking a balance between owned and managed containers and generating revenue streams from diverse sources.
  - *High Margin High Return Business Model*. We believe that our business model of balancing the proportion of owned versus managed containers in our container fleet provides us over time with higher operating margins and higher returns on capital than would a model in which we only owned or only managed containers.
  - *Diverse Revenue Streams*. We derive revenues from leasing our owned containers, managing containers owned by third parties, buying and selling containers and supplying leased containers to the U.S. military. These multiple revenue streams provide for a diverse income base, mitigate the effects of our cyclical industry on our profitability and allow us to optimize our use of capital.
- We have demonstrated our ability to increase the size of our container fleet by purchasing containers from container manufacturers and by acquiring existing container fleets or their management rights.
  - *Strong, Long-standing Relationships with Manufacturers*. As the leasing industry's largest buyer of new containers, averaging more than 107,000 TEU per year for the past 10 years, we have developed strong relationships with container manufacturers. These relationships, along with our large volume buying power and solid financial structure, enable us to purchase containers at attractive prices and foster our ability to source containers during periods of high demand.
  - *Experienced Consolidator*. Over the past 23 years, we have concluded thirteen transactions involving other lessors' container fleets or management rights over those fleets, representing approximately 1,580,000 TEU in total. This experience provides us with a competitive advantage

over other lessors who are less experienced in taking over ownership or management of other container fleets. We have demonstrated the ability to efficiently identify, analyze, structure and integrate the equipment and lease portfolios of other lessors. For example, we integrated the container fleet formerly managed by Capital Intermodal, comprising 154,000 TEU, in two months. Furthermore, due to the flexibility and scalability of our infrastructure, these transactions result in significant increases in revenue without corresponding increases in expenses.

Business Strategies

We intend to grow our business profitably by pursuing the following strategies:

- *Leverage Our Status as the Largest Intermodal Container Lessor and Consistent Purchaser in the Industry* . While a number of our competitors' purchasing patterns have fluctuated over time, we have been a consistent purchaser of containers and intend to continue to make regular purchases of containers, as they become available, to replace older containers and increase the size of our fleet, thereby maintaining what we believe to be one of the youngest fleet age profiles among major lessors. We believe that our scale, consistent purchasing habits, and maintenance of a young fleet age profile have provided us with a competitive advantage that we will continue to exploit by maintaining strong relationships with manufacturers and growing our market share with our existing customers.
- *Pursue Attractive Acquisitions*. We will continue to seek to identify and acquire attractive portfolios of containers, both on an owned and on a managed basis, to allow us to grow our fleet profitably. There has been significant consolidation in our industry. We believe that this trend will continue and will likely offer us opportunities for growth. We also believe that the current downturn in the world's major economies and the constraints in the credit markets may also result in potential acquisition opportunities. As a result of renewing, amending and expanding our credit facilities, we had more than $209 million in liquidity with our credit facilities as of February 28, 2011 and available cash and maintain low leverage relative to past levels. Despite the difficulty in projecting future results in the current economic environment, we intend to actively seek accretive acquisition opportunities in the near future.
- *Purchase and Leaseback Transactions.* We believe that the challenges facing our industry, which are noted above, may also allow us to grow through the purchase and leaseback of customer-owned containers. These purchase and leaseback transactions can be attractive to our customers because they free up cash for their other capital needs, such as vessel financing. We expect these purchase and leaseback transactions will enable us to buy attractively priced containers from customers and place them on leases for the remainder of their marine service lives.
- *Continue to Focus on Operating Efficiency*. We have a low cost structure, having brought down our fleet management cost from $0.065 per CEU per day to $0.039 per CEU per day and grown the number of CEU in our fleet per employee from 5,616 to 17,349, in each case over the last 10 years. Furthermore, we believe that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount, thereby spreading our operating expenses over a larger base and helping to improve our profitability.
- *Extend the Lease of In-fleet Containers.* Since many shipping lines are currently finding it difficult to access debt financing, but still must utilize scarce capital to finance vessels, it is possible that they will conclude in 2011, as they did in 2010, that it will be more cost-effective to extend leases of in-fleet containers than either to buy containers at higher prices or to lease new containers.
- *Grow Our Container Resale Business*. Our container resale and trading business is a significant source of profits. We look to sell containers from our fleet when they reach the end of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering the location, sales price, cost of repair, and possible repositioning expenses. In order to improve the sales price of our containers, we often move them from the location where they are returned by the lessee to another location that has a higher market price. We benefit not only as a result of the increased sales price but

also because we often receive rental revenue from a shipping line for the one-way lease of the container. We also buy and lease or resell containers from shipping line customers, container traders and other sellers of containers. We attempt to improve the sales price of these containers in the same manner as with containers from our fleet.

- *Maintain Access to Diverse Sources of Capital*. We have successfully utilized a wide variety of financing alternatives to fund our growth, including secured and unsecured debt financings, bank financing, and equity from third party investors in containers. We believe this diversity of funding, combined with our anticipated access to the public equity markets, provides us with an advantage in terms of both cost and availability of capital.

Operations

We operate our business through a network of regional and area offices and independent depots. We maintain four regional offices as follows:

- Americas Region in Hackensack, New Jersey, responsible for North and South America;
- European Region in London responsible for Europe, the Mediterranean, the Middle East, and Africa;
- North Asia Region in Yokohama responsible for Japan, South Korea, and Taiwan; and
- South Asia Region in Singapore, responsible for Southeast Asia, the PRC (including Hong Kong) and Australia.

Regional vice presidents are in charge of regional leasing and operations. Marketing directors and assistants located in the region and area offices handle day-to-day marketing and collection activities. Our operations include a global sales force, container operations group, container resale group, and logistics services group. Our principal administrative office is located in San Francisco, California. Our registered office is in Hamilton, Bermuda.

Our Container Fleet

As of December 31, 2010, we operated 2,314,219 TEU. We attempt to continually invest in our container fleet each year in an effort to replace the older containers being retired from marine service and to build our fleet size, when new containers become available. We purchased an average of more than 107,000 TEU per year over the past 10 years. Our ability to invest in our fleet on a consistent basis has been instrumental in our becoming the world's largest container lessor. Our container fleet consists primarily of standard dry freight containers and we are expanding into the refrigerated container market. The containers that we lease are either owned outright by us, owned by third parties and managed by us or leased-in from third parties. The table below summarizes the composition of our fleet, in TEU, by type of containers as of December 31, 2010 (unaudited):

	Standard Dry Freight	Dry Freight Specialized	Total	Percent of Total Fleet
Managed	1,110,533	26,581	1,137,114	49.1%
Owned	1,136,005	41,100	1,177,105	50.9%
Total fleet	2,246,538	67,681	2,314,219	100.0%

The amounts in the table above did not change significantly from December 31, 2010 to the date of this Annual Report on Form 20-F.

Our containers are designed to meet a number of criteria outlined by the ISO. The standard criteria include the size of the container and the gross weight rating of the container. This standardization ensures that the widest possible number of transporters can use containers and it facilitates container and vessel sharing by the shipping lines. The standardization of the container is also an important element of the container leasing business since we can operate one fleet of containers that can be used by all of our major customers.

Maintenance and repair of our containers is performed by independent depots that we retain in major port areas and in-land locations. Such depots also handle and inspect containers that are either picked up or redelivered by lessees, and store containers that are not leased.

Our Leases

Most of our revenues are derived from leasing our fleet of containers to our core shipping line customers. The vast majority of our container leases are structured as operating leases, though we also provide customers with finance leases. Regardless of lease type, we seek to exceed our targeted return on our owned and managed containers over the life of each container by managing container utilization, lease rates, drop-off restrictions and the used container sale process. We lease containers under three different types of operating leases and also under finance leases.

Term leases

Term leases (also referred to as long-term leases) provide a customer with a specified number of containers for a specified period, typically ranging from three to five years, with an associated set of pick-up and drop-off conditions. Our term leases generally require our lessees to maintain all units on lease for the duration of the lease. Such leases provide us with enhanced cash flow certainty due to their extended duration and typically carry lower per diem rates than other lease types. As of December 31, 2010, 72.8% of our total on hire fleet, as measured in TEU, was on term leases.

As of December 31, 2010, our term leases had an average remaining duration of 2.8 years, assuming no leases are renewed. However, we believe that many of our customers will renew leases for containers that are less than sale age at the expiration of the lease. In addition, our containers typically remain on-hire at the contractual per diem rate for an average of an additional 14 months beyond the end of the contractual lease term, for leases that are not extended, due to the logistical requirements our customers face by having to return containers to specific drop-off locations.

The following are the minimum future rentals for our total fleet at December 31, 2010, due under long-term leases (in thousands):

2011	130,587
2012	101,842
2013	82,680
2014	72,307
2015 and thereafter	57,187
	$ 444,603

Some of our term leases give our customers Early Termination Options (“ETOs”). If exercised, ETOs allow customers to return containers prior to the expiration of the term lease. However, if an ETO is exercised, the customer is required to pay a penalty per diem rate that is applied retroactively to the beginning of the lease. As a result of this retroactive penalty, ETOs have historically rarely been exercised.

Master leases

Master leases provide a framework of terms and conditions pursuant to which lessees can lease containers on an as-needed basis for unspecified periods of time. Master lease terms and conditions are valid for a set period, typically one year, and provide the lessee with greater flexibility than is typical in term leases. Under our master leases, lessees know in advance their per diem rates and drop-off locations, subject to monthly drop-off port limits. In addition, under these master lease agreements, the lessee is generally not committed to leasing a minimum number of containers from us during the lease term and may generally return the containers to us at any time, subject to certain restrictions. Due to their flexibility and duration, master leases command higher per

diem rates than term leases. A subset of master leases is our special leases, which are predominately round-trip Asia leases, allowing customers to return containers at any time but with restrictions on drop-off locations, generally in higher demand locations in Asia. As of December 31, 2010, 20.6% of our total on-hire fleet, as measured in TEU, was on master leases.

Spot leases

Spot leases provide the customer with containers for a relatively short lease period with fixed pick-up and drop-off locations. Spot leases are generally used to position a container to a desired location for subsequent lease or sale. As of December 31, 2010, 2.9% of our total on hire fleet, as measured in TEU, was on spot leases.

Finance Leases

Finance leases provide our lessees with an alternative method to finance their container acquisitions. Finance leases are long-term in nature, typically ranging from three to eight years, usually the remainder of the container's useful life in marine services, and require relatively little customer service attention. They ordinarily require fixed payments over a defined period and provide lessees with a right to purchase the subject containers for a nominal amount at the end of the lease term. Per diem rates include an element of repayment of capital and, therefore, typically are higher than rates charged under term leases. Finance leases require the container lessee to keep the containers on lease for the entire term of the lease. Finance leases are reflected as "Net investment in direct finance and sales-type leases" on our balance sheet. As of December 31, 2010, approximately 3.7% of our total on hire fleet, as measured in TEU, was on finance leases with an average remaining term of 2.3 years.

Damage Protection

Under all of our leases, our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities. Any damage must be repaired at the expense of the lessee according to standardized guidelines promulgated by the Institute of International Container Lessors ("IICL"). Lessees are also required to obtain insurance to cover loss of the equipment on lease, public liability and property damage insurance as well as indemnify us from claims related to their usage of the leased containers. In some cases, a Damage Protection Plan ("DPP") is provided whereby the lessee pays us (in the form of either a higher per-diem rate or a fixed one-time payment upon the return of a container) to assume a portion of the financial burden of repairs up to a pre-negotiated amount. This DPP does not cover damages from war or war risks, loss of a container, constructive total loss of the container, damages caused by contamination or corrosion from cargo, damages to movable parts and any costs incurred in removing labels, which are all responsibilities of the lessees. DPP is generally cancelable by either party with prior written notice. Maintenance is monitored through inspections at the time that a container is leased out and returned. In 2010, DPP revenue was 2.7% of total lease rental income. We also maintain our own insurance to cover our containers when they are not on-hire to lessees or when the lessee fails to have adequate primary coverage, and third-party liability insurance for both on-hire and off-hire containers. In addition, we maintain insurance that would cover loss of revenue as a result of default under all of our leases, as well as the recovery cost or replacement value of all of our containers.

Lease Agreements

In general, our lease agreements consist of two basic elements, a master terms and conditions lease agreement, or a "Master Agreement," and a lease schedule. Lease schedules contain the business terms (including daily rate, term duration and drop-off schedule, among other things) for specific leasing transactions, while Master Agreements outline the general rights and obligations of the lessor and lessee under all of the lease schedules covered by the Master Agreement. For most customers, we have a small number of Master Agreements (often one) and a large number of lease schedules.

Our standard Master Agreements generally require the lessees to pay rentals, depot charges, taxes and other charges when due, to maintain the containers in good condition and repair, to return the containers in good condition in accordance with the return conditions set forth in the Master Agreement, to use the containers in compliance with all laws, and to pay us for the value of the container as determined by us if the container is lost or destroyed. The default clause gives us certain legal remedies in the event that the lessee is in breach of the lease.

Re-leasing, Logistics and Depot Management

We believe that managing the period after termination of our containers' first lease is one of the most important aspects of our business. The container shipping industry is characterized by large regional trade imbalances, with loaded containers generally flowing from export-oriented economies in Asia to North America and Western Europe. Because of these trade imbalances, container shipping lines have an incentive to return leased containers in North America and Western Europe to avoid the cost of shipping empty containers back to Asia. Successful management of the deployment of our containers after they come off their first lease requires disciplined re-leasing capabilities, logistics management, depot management, careful cost control and effective sales of used containers.

Re-leasing

Since our leases allow our lessees to return their containers, we typically lease a container several times during the time that it is part of our fleet. New containers can usually be leased with a limited sales and customer service infrastructure because initial leases for new containers typically cover large volumes of units and are fairly standardized transactions. Used containers, on the other hand, are typically leased in smaller transactions that are structured to accommodate pick-ups and returns in a variety of locations. Our utilization rates depend on our re-leasing capabilities. Factors that affect our ability to re-lease used containers include the size of our lessee base, ability to anticipate lessee needs, our presence in relevant geographic locations and the level of service we provide our lessees. We believe that our global presence and relationships with over 400 container lessees provide us an advantage in re-leasing our containers relative to many of our smaller competitors.

Logistics

Other methods of reducing off-lease risks include:

- *Limiting or prohibiting container returns to low-demand areas*. In order to reduce our repositioning costs, our leases typically include a prohibition on returning containers to specific locations, limitations on the number of containers that may be returned to lower demand locations, drop-off charges for returning containers to lower demand locations or a combination of these provisions.
- *Taking advantage of a robust secondary resale market when available*. In order to optimize the investment return on a container, we have sold containers in our excess inventory when an analysis indicates it is financially more attractive than attempting to re-lease the container.
- *Seeking one-way lease opportunities to move containers from lower demand locations to higher demand locations* . One-way leases may include incentives, such as free days, credits and damage waivers. The cost of offering these incentives is generally less than the cost we would incur if we were to pay to reposition the containers. We also use one way leases to move containers from locations where the market price for selling containers is low to locations with a higher market price for containers, to improve the resale value of the containers.
- *Paying to reposition our containers to higher demand locations* . At locations where our inventories remain high, despite the efforts described above, we will selectively choose to reposition excess containers to locations with higher demand.

- *Consistently purchasing containers in the PRC*. We purchase all of our new containers from manufacturers in the PRC. Certain ports in the PRC, including the locations where we purchase containers, are also generally higher demand locations. By consistently purchasing containers in the PRC, we have increased flexibility to reposition our existing containers to other higher demand locations while still maintaining good coverage of the locations in the PRC.
- *Diversifying our customers*. We have sought to diversify our customers and correspondingly, the locations where containers are needed around the world. The U.S. military often requires containers in lower demand areas, which then allows us more flexibility in repositioning our containers.

Depot Management

As of December 31, 2010, we managed our container fleet through more than 330 independent container depot facilities in more than 160 locations. Depot facilities are generally responsible for repairing containers when they are returned by lessees and for storing the containers while they are off-hire. Our operations group is responsible for managing our depot contracts and periodically visiting the depot facilities to conduct quality assurance audits to control costs and ensure repairs meet industry standards. We also supplement our internal operations group with the use of independent inspection agents. Furthermore, depot repair work is periodically audited to prevent over-charging. We are in regular communication with our depot partners through the use of electronic data interchange ("EDI") and/or e-mail. The electronic exchange of container activity information with each depot is conducted via the internet. As of December 31, 2010, a large majority of our off-lease inventory was located at depots that are able to report notice of container activity and damage detail via EDI. We use the industry standard, ISO 9897 Container Equipment Data Exchange messages, for most EDI reporting.

Most of the depot agency agreements follow a standard form and generally provide that the depot will be liable for loss or damage of containers and, in the event of loss, will pay us the previously agreed loss value of the applicable containers. The agreements require the depots to maintain insurance against container loss or damage and we carry insurance to cover the risk when a depot's insurance proves insufficient.

Our container repair standards and processes are generally managed in accordance with standards and procedures specified by the IICL. The IICL establishes and documents the acceptable interchange condition for containers and the repair procedures required to return damaged containers to the acceptable interchange condition. At the time that containers are returned by lessees, the depot arranges an inspection of the containers to assess the repairs required to return the containers to acceptable IICL condition. As part of the inspection process, damages are categorized either as lessee damage or normal wear and tear. Items typically designated as lessee damage include dents in the container and debris left in the container, while items such as rust are typically designated as normal wear and tear. In general, lessees are responsible for the lessee damage portion of the repair costs and we are responsible for normal wear and tear. The lessees are generally billed the lessee damage portion at the time the containers are returned. As discussed above in "Operations—Our Leases," for an additional fee, we sometimes offer our lessees a DPP, pursuant to which we assume financial responsibility for repair costs up to a pre-negotiated amount.

Management Services

As of December 31, 2010, we owned approximately 51% of the containers in our fleet, and managed the rest, equaling 1,137,114 TEU, on behalf of 16 affiliated and unaffiliated container investors. We earn acquisition, management and disposal fees on managed containers. Our IT systems track revenues and operating expenses attributable to specific containers and the container investors receive payments based on the net operating income of their own containers. Fees to manage containers typically include acquisition fees of 1 to 2% of the purchase price; daily management fees of 8 to 13% of net operating income; and disposal fees of 10% of cash proceeds when containers are sold. We earned combined acquisition, management and disposal fees on our managed fleet of $29.1 million, $25.2 million and $28.6 million for the years 2010, 2009 and 2008, respectively. If operating

expenses were to exceed revenues, the container investors would be obligated to pay the excess or we would deduct the excess, including our management fee, from future net operating income. In some cases, we are compensated for sales through a percentage sharing of sale proceeds over an agreed floor amount. We will typically indemnify the container investors for liabilities or losses arising from negligence, willful misconduct or breach of our obligations in managing the containers. The container investors will indemnify us as the manager against any claims or losses arising with respect to the containers, provided that such claims or losses were not caused by our negligence, willful misconduct or breach of our obligations. Typically, the terms of the management agreements are for the expected remaining useful life in marine services of the containers subject to the agreement.

In June 2003, we entered into a contract with the SDDC pursuant to which we serve as a major supplier of leased marine containers to the U.S. military. Compared to our shipping line customers, we provide a much broader level of services to the U.S. military under the SDDC contract. We have developed and currently operate a proprietary information system for the U.S. military which provides the U.S. military real-time access to the status of its leased fleet. Furthermore, unlike our shipping line customers, who pick up from and return containers to container depots, for the U.S. military we are required to arrange transportation from a container depot to a military facility upon lease out and to pick up a container at a military facility and return it to a container depot when the lease period has ended. This requires us to arrange for movement of the empty containers by truck, rail and/or vessel. The SDDC contract provides added compensation for these services. In addition, since approximately half of these services are required in non-U.S. locations, our expenses for contracting for these services may be incurred in foreign currencies. The SDDC contract contains a foreign currency adjustment feature such that we are protected against many foreign currency risks for the expenses incurred under the SDDC contract.

The SDDC is the only lessee for which we are required, under the SDDC contract, to provide all containers that they request. In the event that containers are not available within our fleet, we fulfill our obligations under the SDDC contract by purchasing new or used containers or subleasing containers and equipment from other leasing companies. This contract also allows the U.S. military to return containers in many locations throughout the world. Since the inception of the SDDC contract, we have delivered or transitioned more than 138,000 containers and chassis to the U.S. military, of which approximately 84,000 containers have been returned. In addition, over 47,000 containers have been reported as unaccounted for and the U.S. Military paid a stipulated value for each such container. The SDDC contract was awarded with a one-year base period, with four one-year extension options, and with a potential for up to five additional one-year “award terms,” which award terms were considered and awarded based on an annual performance review and confirmation. We have been informed that we have been awarded our fifth SDDC contract extension, at this stage extending the term until June 23, 2013. We also received an “Exceptional” rating with a score of 94.3% for our performance under the SDDC contract for 2010 (the last period reviewed), pursuant to the annual performance review required there under. Due to these high evaluations, the total contract period under the SDDC contract has been extended for the full ten years.

Resale of Containers

Our Container resale segment sells containers from our fleet, at the end of their useful lives in marine service, typically about 12 years, or when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. In addition, we buy used containers (trading containers) from shipping lines and other third parties that we then lease or resell. Our Resale Division has a global team of 21 container sales and operations specialists in five offices globally that manage the sale process for these used containers as of December 31, 2010. Our Container resale segment is one of the largest sellers of used containers among container lessors, selling more than 77,000 containers during 2010 to more than 1,100 customers. Our Container resale segment has become a significant profit center for us. From 2006 through 2009, this division has generated $46.0 million in income before taxes, including $8.0 million in fiscal year 2010. We generally sell to depots, domestic storage companies, freight forwarders (who often use the containers for one-way trips into less developed countries) and other purchasers of used containers.

Military

Underwriting and Credit Controls

We only lease to container shipping lines and other lessees that meet our credit criteria. Our credit approval process is rigorous and all of our underwriting and credit decisions are controlled by our credit committee, which is made up of senior management from different disciplines and includes our Chief Executive Officer, Chief Financial Officer and Executive Vice Presidents. Our credit committee sets different maximum exposure limits depending on our relationship and previous experience with each customer lessee and container sales customer. Credit criteria may include, but are not limited to, trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, operational history and financial strength.

Our credit department sets and reviews credit limits for new and existing customer lessees and container sales customers, monitors compliance with those limits on an on-going basis, monitors collections, and deals with customers in default. Our credit department actively maintains a credit watch report on our proprietary information technology systems, which is available to all regional and area offices. This credit watch report lists customer lessees and container sales customers at or near their credit limits. New leases of containers by customer lessees on the credit watch report would only be allowed with the approval of our credit department. Similarly, management may decide to stop sales of containers to purchasers whose payments are delinquent. Our underwriting processes are aided by the long payment experience we have with most of our customer lessees and container sales customers, our broad network of relationships in the container shipping industry that provide current information about customer lessees' and container sales customers' market reputations and our focus on collections.

Other factors reducing losses due to default by a lessee or customer include the strong growth in the container shipping industry, effective collection tools, our high recovery rate for containers in default situations and the re-marketability of our container fleet. The strong growth in the container shipping industry helps reduce the risk of customer defaults since the core assets of a poorly performing shipping line, its ships and containers, have historically been needed to meet the demand for world containerized trade. As a result, poorly performing shipping lines are often acquired by other shipping lines. In addition, the law in several major port locations is highly favorable to creditors and many of our large customers call on ports that will allow us to arrest, or seize, the customers' ships or fuel storage bunkers, or repossess our containers if the customer is in default under our container leases. Finally, we also purchase insurance for equipment recovery and loss of revenue due to customer defaults, in addition to the insurance that our customers are required to obtain.

During 2006 through 2010, we recovered, on average, 65.5% of the containers that were the subject of defaulted contracts which had at least 1,000 CEU on lease. We typically incur operating expenses such as repairs and repositioning when containers are recovered after a default. However, all recovery expenses are typically covered under insurance and we are reimbursed above our deductible amount. Due to the above, over the last five years, our write-offs of customer receivables for our owned and managed fleet have averaged 1.3% of our lease rental income over such period, and we believe that our receivables and days outstanding are low for the container leasing industry.

Marketing and Customer Service

Our global sales and customer service force is responsible for developing and maintaining relationships with senior management staff at our shipping line customers, negotiating lease contracts and maintaining day-to-day coordination with operations staff at our customers. This close customer communication often assists us in negotiating lease contracts that satisfy both our financial return requirements and our customers' operating needs. It also makes us more likely to be aware of our customers' potential equipment shortages and makes our customer more likely to be aware of our available container inventories.

Our senior sales people have considerable industry experience and we believe that the quality of our customer relationships and the level of communication with our customers represent an important advantage for us. As of December 31, 2010, our global sales and customer service group consisted of approximately 71 people, with 16 in North America, 36 in Asia and Australia, 14 in Europe and 5 in Africa.

Customers

We believe that our staff, organization and long presence in the business has resulted in very strong relationships with our shipping line customers. Our top 25 customers, as measured by lease billings, have leased containers from us for an average of over 25 years and have an average Dynamar credit rating, a common credit report used in the maritime sector, of 4.0. The Dynamar credit rating ranges from 1 to 10, with 1 indicating low credit risk. We had one customer that individually accounted for 10.8%, 12.5% and 10.5% of our owned lease billings in 2010, 2009 and 2008, respectively. Our top 25 customers include 20 of the 25 largest shipping lines, as measured by container vessel fleet size. We currently have containers on-hire to more than 400 customers. Our customers are mainly international shipping lines, but we also lease containers to freight forwarding companies and the U.S. military. Our five largest customers accounted for approximately 32.3% of our total owned and managed fleet's 2010 lease billings. Our top five customers by lease billings in 2010 were CMA-CGM, Mediterranean Shipping, Hapag-Lloyd AG, A.P. Møller—MAERSK A/S and Mitsui O.S.K. Lines. Our largest customer is CMA-CGM, representing approximately 11.1% of our total owned and managed fleet's 2010 lease billings. For the fiscal years ended December 31, 2010, 2009 and 2008, lease billings from our 25 largest container lessees by lease billings represented 76.7%, 74.8% and 75.9% of our total owned and managed fleet's container leasing billings, respectively, with lease billings from our single largest container lessees accounting for $52.7 million, $51.4 million and $44.7 million or 11.1%, 12.1% and 9.8% of our total owned and managed fleet's container lease billings during the respective periods. A default by any of these major customers could have a material adverse impact on our business, results from operations and financial condition. In addition, the largest lessees of our owned fleet are often among the largest lessees of our managed fleet. The largest lessees of our managed fleet are responsible for a significant portion of the billings that generate our management fee revenue.

Proprietary Information Technology

We have developed proprietary IT systems that allow us to monitor container status and offer our customers a high level of service. Our systems include internet-based updates regarding container availability and booking status. Our systems record the status of and provide the accounting and billing for each of our containers individually by container number. We also have the ability to produce complete management reports for each portfolio of equipment we own and manage. This makes us a preferred candidate to quickly assume management of competitors' container fleets. We also maintain proprietary systems in support of our military business.

In addition, our systems allow our business partners to conduct certain business with us through our website, *www.textainer.com*. These systems allow customers to check our container inventories, review design specifications, request bookings for container pick-ups and review and approve repair bills. Our website also allows depots to download recent statements for self-billing activity and to check the status of containers.

Suppliers

We have long relationships with all of our major suppliers. We currently purchase all of our containers in the PRC. There are two major manufacturers of dry freight standard and specialized containers. Our operations staff reviews the designs for our containers and periodically audits the production facilities of our suppliers. In addition, we use our Asian operations group and third party inspectors to visit factories when our containers are being produced to provide an extra layer of quality control. Nevertheless, defects in our containers do sometimes occur. We work with the manufacturers to correct these defects, and our manufacturers have generally honored their warranty obligations in such cases.

Competition

According to the latest available data, the top ten container leasing companies control approximately 89%, and the top five container leasing companies control approximately 65%, of the total equipment held by all container lessors. According to this data, we are the world's largest lessor of intermodal containers based on fleet size and we manage approximately 19% of the equipment held by all container leasing companies. The customers for leased containers are primarily international shipping lines.

We compete with approximately ten other large or medium size container leasing companies, many smaller lessors, companies and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. It is common for our shipping line customers to utilize several leasing companies to meet their container needs.

Other lessors compete with us in many ways, including pricing, lease flexibility and supply reliability, as well as the location, availability, quality and individual characteristics of their containers and customer service. While we are forced to compete aggressively on price, we emphasize our supply reliability and high level of customer service to our customers. We invest heavily in our endeavors to ensure container availability in higher demand locations. We dedicate a large part of our organization to building customer relationships, maintaining close day-to-day coordination with customers' operating staffs and have developed powerful and user-friendly systems that allow our customers to transact business with us through the internet. We believe that our close customer relationships, experienced staff, reputation for market leadership, scale efficiencies and proprietary systems provide important competitive advantages.

Legal Proceedings

From time to time we are a party to litigation matters arising in connection with the normal course of our business. While we cannot predict the outcome of these matters, in the opinion of our management, any liability arising from these matters will not have a material adverse effect on our business. Nevertheless, unexpected adverse future events, such as an unforeseen development in our existing proceedings, new claims brought against us or changes in our current insurance arrangements could result in liabilities that have a material adverse impact on our business.

Environmental

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and third-party claims for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessees' current or historical operations or the storage of our containers. Under some environmental laws in the U.S. and certain other countries, the owner or operator of a leased container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from a container without regard to the fault of the owner or operator. While we maintain certain limited liability insurance coverage as well as require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage and/or systems or services we may be required to install.

Regulation

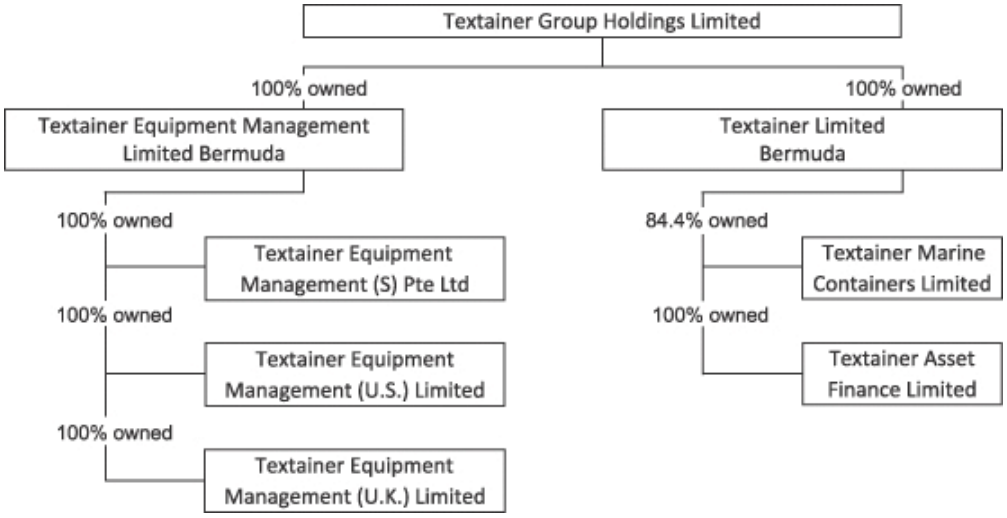
We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism

and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the U.S. Moreover, the International Convention for Safe Containers, 1972, as amended, adopted by the International Maritime Organization, applies to new and existing containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur increased compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet any new requirements imposed by such regulations.

We may also be affected by legal or regulatory responses to potential global climate change. Please see Item 3, " *Key Information—Risk Factors—We may also be affected by potential global climate change or by legal, regulatory or market responses to such potential change."*

C. Organizational Structure

Our current corporate structure is as follows:



We currently own 100% of all of our direct and indirect subsidiaries, except for TMCL. TMCL, a joint venture involving TL and TCG Fund I, L.P. ("TCG"). As of December 31, 2010, TL held an 84.4% economic ownership interest and TCG held a 15.6% economic ownership interest in TMCL. TL also holds 75% of the voting rights and TCG holds 25% of the voting rights of TMCL.

Our principal shareholder, Halco Holdings Inc. ("Halco"), is owned by a discretionary trust with an independent trustee. Trencor Limited and certain of its affiliates are the sole discretionary beneficiaries of this trust. Halco, which owned approximately 61.6% of our outstanding share capital as of December 31, 2010, is a wholly-owned subsidiary of the Halco Trust. Trencor is a South African container public company, listed on the JSE in Johannesburg, South Africa. Trencor's origins date from 1929, and it currently has businesses owning, leasing and managing marine cargo containers and finance related activities. As of December 31, 2010, Mobile Industries Limited ("Mobile Industries"), a holding company listed on the JSE, owned a 46.2% interest of Trencor, and various trusts of which our directors Neil I. Jowell and Cecil Jowell are some of the beneficiaries that had a significant percentage in Mobile Industries with Neil and Cecil Jowell being directors of that company.

Since December 31, 2010, Mobile Industries has distributed its 46.2% shareholder interest in Trencor to Mobile Industries' own shareholders, and Trencor has repurchased from the aforementioned trusts approximately 50% of the Trencor shares received by the trusts pursuant to this distribution.

The protectors of the Halco Trust are Neil I. Jowell, the chairman of both our board of directors and the board of directors of Trencor, Cecil Jowell, James E. McQueen and David M. Nurek, members of our board of directors and the board of directors of Trencor and Edwin Oblowitz, a member of the board of directors of Trencor. The protectors of the trust have the power, under the trust documents, to appoint or remove the trustee. The protectors cannot be removed and have the right to nominate replacement protectors. In addition, any changes to the beneficiary of the Halco Trust must be agreed to by both the independent trustee and the protectors of the trust.

D. Property, Plant and Equipment

As of December 31, 2010, our employees were located in 13 regional and area offices in 12 different countries. We have two offices in the U.S., including our administrative office in San Francisco, California and another office in Hackensack, New Jersey. We have 11 offices outside the U.S. in New Malden, United Kingdom; Hamburg, Germany; Durban, South Africa; Yokohama, Japan; Seoul, South Korea; Taipei, Taiwan; Singapore; Sydney, Australia; Port Kelang, Malaysia; Hong Kong, and Shanghai, China. We lease our office space in the U.S., United Kingdom and Singapore. The lease for our San Francisco office expires in December 2016, the lease for our Hackensack, New Jersey office expires in April 2012, the lease for our New Malden, United Kingdom office expires in December 2019 and our lease for our Singapore office expires in December 2012. In addition, we have agents who represent us in India, Pakistan, Sri Lanka, Thailand, and Vietnam. We also maintain an office in Bermuda, where Textainer Group Holdings Limited is incorporated.

We believe that our current facilities are adequate to meet current requirements and that additional or substitute space will be available as needed to accommodate our expected growth.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following Operating and Financial Review and Prospects should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 20-F. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See "Information Regarding Forward-Looking Statements; Cautionary Language." Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 20-F, particularly in Item 3, "Key Information—Risk Factors."

Dollar amounts in this section of this Annual Report on Form 20-F are expressed in thousands of U.S. dollars unless otherwise indicated.

Executive Summary

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size, with a total fleet of more than 1.5 million containers, representing over 2.3 million TEU. We had record results in 2010, which demonstrates management's continued successful execution of its growth strategy and further strengthened our industry leading position. Specifically, in 2010, we (i) grew our owned and managed fleet with

the acquisition of 214,000 TEU of new containers delivered in 2010, representing a total of $503.7 million in capital expenditures, the highest in Textainer's history, (ii) benefited from a worldwide shortage of containers, which resulted in a historically high average utilization rate of 95.4% for 2010, (iii) extended the term and increased the size of our securitization facility of our principal asset-owning subsidiary, Textainer Marine Containers Limited ("TMCL"), to a total revolving commitment of $750.0 million from $475.0 million for a two-year revolving period, (iv) purchased 40,000 TEU of used containers that we previously managed, resulting in a transaction that was immediately accretive to earnings and (v) increased the owned portion of our total fleet to 50.9% as of December 31, 2010 from 45.4% as of December 31, 2009. With 76.5% of our fleet committed to long-term and finance leases, we expect to be able to provide our shareholders with a sizeable contracted revenue stream. We also intend to utilize our considerable financial flexibility, including nearly $1 billion in total credit facilities with current liquidity of over $209 million as of February 28, 2011, to capitalize on future growth opportunities that further expand our earnings power in 2011. Refer to "2011 Outlook" below for further discussion.

Our business comprises three reportable segments for financial reporting purposes: Container Ownership, Container Management and Container Resale. Our total revenues primarily consist of leasing revenues derived from the leasing of our owned containers and, to a lesser extent, fees received for managing containers owned by third parties, equipment resale and military management. The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee income exceed our operating costs. The key drivers of our revenues are fleet size, rental rates and utilization. Our operating costs primarily consist of depreciation and amortization, interest expense, direct operating expenses and administrative expenses. Our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities.

Key Factors Affecting Our Performance

We believe there are a number of key factors that have affected, and are likely to continue to affect, our operating performance. These key factors include the following, among others:

- the demand for leased containers;
- lease rates;
- our ability to lease our new containers shortly after we purchase them;
- prices of new containers and the impact of changing prices on the residual value of our owned containers;
- remarketing risk;
- further consolidation of container manufacturers and/or decreased access to new containers; and
- terrorist attacks, the threat of such attacks or the outbreak of war and hostilities.

For further details of these and other factors which may affect our business and results of operations, see Item 3, " *Key Information—Risk Factors.*"

2011 Outlook

Industry

Nomura International is forecasting that new container production will be approximately 3.5 million TEU in 2011, compared to approximately 2.4 million TEU in 2010, due to stronger replacement demand and, as forecasted by *Clarkson Industry Research Services*, vessel capacity growth of approximately 6.8% and cargo volume growth of approximately 9.7% in 2011. In 2010, the container leasing industry purchased about two-thirds of all new container production as shipping lines were capital constrained. We expect the leasing

sector to be major purchasers and suppliers of new containers again in 2011 as shipping lines continue to rely on leasing companies, such as Textainer, to meet their requirements for new containers. As a result of these positive trends, we expect utilization to remain in the high 90% range and the resale market for used containers to remain strong during 2011.

Strategic Focus

In a record year of new container purchases in 2010, we acquired 214,000 TEU of owned and managed containers at a cost of $503.7 million. Consistent with our strategy to increase the percentage of our owned fleet, approximately 90% of the new containers delivered in 2010 are owned by Textainer. Additionally, we purchased containers totaling 40,000 TEU that we had previously managed. Currently, our owned containers comprise 50.9% of Textainer's total fleet as compared to 45.4% as of December 31, 2009. We generally earn significantly more income per TEU from containers that we own than from containers that we manage.

With the extension of the term of the securitization facility of TMCL by two years and the increase in its size to a total revolving commitment of $750.0 million from $475.0 million in the second quarter of 2010 and TMCL's exercise of an option to increase the size of its securitization facility to a total revolving commitment of $850.0 million from $750.0 million on March 15, 2011, combined with a low debt-to-equity ratio of 1.3:1, we are in a strong position to continue to execute our growth strategy. We expect our capital expenditures for new container purchases in 2011 to be considerably higher than in 2010 as we seek to take full advantage of attractive market opportunities. We will also continue to pursue acquisitions that are accretive to earnings.

Revenue

Our revenue comprises lease rental income, management fees, trading container sale proceeds and gain on sale of containers, net.

Lease Rental Income. We generate lease rental income by leasing our owned containers to container shipping lines and other customers, such as the U.S. military. Lease rental income comprises daily per diem rental charges due under the lease agreements, together with payments for other charges set forth in the leases, such as handling fees, drop-off charges and pick-up charges and credits (together "geography revenue") and charges for a damage protection plan ("DPP"). The operating results of our owned container business are determined by the amount by which our container rental revenue exceeds our ownership costs, consisting primarily of depreciation, interest expense, storage, handling and other direct operating expenses and management costs.

Utilization is a key performance indicator that demonstrates how much of our equipment is on lease at a point in time or over a period of time. We measure utilization on the basis of containers on lease, using the actual number of days on hire, expressed as a percentage of containers available for lease, using the actual days available for lease. Prior to 2007, we calculated containers available for lease to include all containers in our fleet. Utilization in this Annual Report on Form 20-F for 2006 is calculated in this manner. Starting in 2007, to conform to the method used by most of our competitors, we began calculating containers available for lease by excluding containers that have been manufactured for us but have not been delivered yet to a lessee and containers designated as held-for-sale units. This change in the method of calculating utilization causes our utilization rate to appear higher than under the former methodology, but has no effect on the amount of lease rental income earned. Our utilization is primarily a function of our current lease structure, overall level of container demand, the location of our available containers and prevailing lease terms by location. The location of available containers is critical because containers available in high-demand locations are more readily leased and are typically leased on more favorable terms than containers available in low-demand locations.

Lease rental income is also affected by per diem rates. The per diem rate for a lease is set at the time we enter into a lease agreement. Our long-term per diem rate for new containers has historically been strongly

influenced by new container pricing (which in turn is heavily influenced by container manufacturing industry concentrations and steel and other component pricing), interest rates, the balance of supply and demand for containers at a particular time and location, our estimate of the residual value of the container at the end of its useful life in marine service, the type of the container being leased, container purchasing activities by container shipping lines and competitors and efficiencies in container utilization by container shipping lines. Average per diem rates for containers in our owned fleet and in the portfolios of containers comprising our managed fleet change slowly in response to changes in new container prices because existing lease agreements can only be re-priced upon the expiration of the lease.

Management Fees. Management fee revenue is generated by our management services, which include the acquisition, leasing, repair, repositioning, storage and disposition of containers. We provide these management services pursuant to management agreements with container investors. Under these agreements, we earn fees for the acquisition of new containers and the management of the containers, and a sales commission upon disposition of containers under management. The management agreements typically cover the entire economic life of the containers.

Our acquisition fees are calculated as a percentage of the cost of the container. Our management fees are calculated as a percentage of net operating income of the containers. Net operating income is calculated as the lease payment and any other revenue attributable to a container, minus operating expenses related to that container (but not depreciation or financing expenses of the container investor). The management fee percentage generally varies based upon the type of lease and the terms of the management agreement. Management fee percentages for long-term leases are generally lower than management fee percentages for short-term leases because less daily involvement by management personnel is required to manage long-term leases. Our sales commissions are either fixed dollar amount or based on a percentage of the sales price.

All rental operations are conducted worldwide in our name as agent for the container investors. Revenues, customer accounts receivable, operating expenses, and vendor payables arising from direct container operations of the managed portion of our fleet are excluded from our financial statements.

Trading Container Sales Proceeds. Our Container Resale Division purchases used containers from third parties, primarily shipping lines, and resells these containers to a wide variety of buyers. This activity is reported as trading container sales proceeds.

Gains on Sale of Containers, net. Gain on sale of containers, net, represents the excess of the sale price of our owned fleet containers over their net book value at the time of sale. Containers are generally sold at the end of their useful lives in marine service or when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses.

Operating Expenses

Our operating expenses include direct container expenses and depreciation of container rental equipment applicable to our owned containers, as well as general and administrative expenses for our total fleet.

Direct Container Expenses. Storage, handling, maintenance, repositioning and other direct container expenses are operating costs of our owned fleet. Storage and handling expenses occur when our customers drop off containers at depots around the world. Storage and handling expenses vary significantly by location. Other direct container expenses include maintenance expenses, which are the result of normal wear and tear on the containers, and repositioning expenses, which are incurred when we contract to move containers from locations where our inventories exceed actual or expected demand to locations with higher demand. Storage, handling, maintenance, repositioning and other direct container expenses are directly related to the number of containers in our owned fleet and inversely related to our utilization rate for those containers. As utilization increases, we typically have lower storage, handling, maintenance and repositioning expenses. We use the direct expense method of accounting for maintenance and repairs.

Our leases require the lessee to pay for any damage to the container beyond normal wear and tear at the end of the lease term. We also offer a DPP pursuant to which the lessee pays a fee over the term of the lease (per diem) in exchange for not being charged for certain damages at the end of the lease term. This revenue is recognized as earned over the term of the lease. We do not recognize revenue and related expense over the lease term for customers who are billed at the end of the lease term under the DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts from lessees who are billed at the end of the lease term because the amounts due under the DPP are typically re-negotiated at the end of the lease term or the lease term is extended.

Cost of Trading Containers Sold. We buy used containers for resale, primarily from shipping lines. Cost of trading containers sold represents the cost of these containers and is recognized as an expense at the time the containers are sold.

Depreciation Expense. We depreciate our containers on a straight-line basis over a period of 12 years to a fixed residual value. We regularly assess both the estimated useful life of our containers and the expected residual values, and, when warranted, adjust our depreciation estimate accordingly. Depreciation expense will vary over time based upon the number and the purchase price of containers in our owned fleet. Beginning in the third quarters of 2008 and 2006, depreciation of our existing owned fleet decreased as a result of an increase in our estimate of the residual values of our containers. However, this decrease was partially offset in subsequent fiscal years as a result of an increase in the size of our owned fleet in subsequent periods.

Amortization Expense. Amortization expense represents the amortization of the price paid for the rights to manage the container fleets of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively "Capital Intermodal"); Amphibious Container Leasing Limited ("Amficon"); Capital Lease Limited, Hong Kong ("Capital") and Gateway Management Services Limited ("Gateway"). The purchase prices are being amortized over the expected useful lives of the contracts on a pro-rata basis to the expected management fees.

General and Administrative Expense. Our general and administrative expenses are primarily employee-related costs such as salary, employee benefits, rent, travel and entertainment costs, as well as expenses incurred for outside services such as legal, consulting and audit-related fees.

Short-term Incentive Compensation Expense. Short-term incentive compensation expense is the annual bonus plan in which all company employees participate. The compensation amounts are determined on an annual basis based on the company's performance.

Long-term Incentive Compensation Expense. Long-term incentive compensation expense represents costs recorded for share-based and cash compensation that vests over several years in which most company employees participate.

Bad Debt Expense, net. Bad debt expense, net, represents the amounts recorded to provide for an allowance for the doubtful collection of accounts receivable for the owned fleet.

A. Operating Results

Comparison of the Years Ended December 31, 2010, 2009 and 2008

The following table summarizes our total revenues for the years ended December 31, 2010, 2009 and 2008 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2010	2009	2008	2010 and 2009	2009 and 2008
	(Dollars in thousands)				
Lease rental income	$235,827	$189,779	$198,600	24.3%	(4.4%)
Management fees	29,137	25,228	28,603	15.5%	(11.8%)
Trading container sales proceeds	11,291	11,843	36,294	(4.7%)	(67.4%)
Gains on sale of containers, net	27,624	12,111	17,821	128.1%	(32.0%)
Total revenues	$ 303,879	$ 238,961	$ 281,318	27.2%	(15.1%)

Lease rental income increased $46,048 (24.3%) from 2009 to 2010. This increase was due to a 16.6% increase in fleet size, a 9.6 percentage point increase in utilization and a 2.2% increase in per diem rental rates, partially offset by a $3,387 decrease in finance lease income and a $2,018 decrease in geography income (drop-off charges and pick-up charges and credits). Lease rental income decreased $8,821 (-4.4%) from 2008 to 2009. This decrease was due to a 8.8 percentage point decrease in utilization, a 3.4% decrease in per diem rental rates and a $2,456 decrease in military sublease income, partially offset by a 8.8% increase in fleet size, a $4,191 increase in finance lease income, a $831 increase in DPP income and a $600 increase in geography income.

Management fees increased $3,909 (15.5%) from 2009 to 2010 primarily due to a $2,087 increase due to higher fleet performance, $1,898 in additional fees earned from managing Amficon and Capital Intermodal for a full year in 2010 and a $1,006 increase as a result of higher acquisition fees due to higher container purchases, partially offset by a $1,019 decrease due to a 6.7% decrease in the size of the fleets managed for container investors other than Amficon and Capital Intermodal. Management fees decreased $3,375 (-11.8%) from 2008 to 2009 primarily due to a $4,853 decrease due to lower fleet performance, a $981 decrease due to a 4.6% decrease in the size of the fleets managed for container investors other than Amficon and Capital Intermodal and a $397 decrease as a result of lower acquisition fees due to fewer container purchases, partially offset by $3,150 in additional fees earned from managing the Amficon and Capital Intermodal fleets.

Trading container sales proceeds decreased $552 (-4.7%) from 2009 to 2010. $2,167 of this decrease was due to a 19.8% decrease in unit sales due to a decrease in the number of trading containers that we were able to source and sell and $450 of this decrease was due to a 263 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our Surface Deployment and Distribution Command (“SDDC”) contract with them, partially offset by a $2,065 increase due to an increase in average proceeds of $277 per unit. Trading container sales proceeds decreased $24,451 (-67.4%) from 2008 to 2009. $19,471 of this decrease was due to a 56.9% decrease in unit sales due to a decrease in the number of trading containers that we were able to source and sell, $3,835 of this decrease was due to a decrease in average proceeds of $412 per unit and $1,145 of this decrease was due to a 887 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our SDDC contract with them.

Gains on sale of containers, net, increased $15,513 (128.1%) from 2009 to 2010. $17,216 of this increase was due to an increase of $465 in average sales proceed per unit, partially offset by a $1,411 decrease due to a 12.4% decrease in the number of containers sold. Gains on sale of containers, net, decreased $5,710 (-32.0%) from 2008 to 2009. $10,561 of this decrease was due to a decrease of $250 in average sales proceed per unit and $1,413 of this decrease was due to a 3,764 unit decrease in the number of owned containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our SDDC contract with them, partially offset by a $6,264 increase due to a 40% increase in the number of containers sold.

The following table summarizes our total operating expenses for the years ended December 31, 2010, 2009 and 2008 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2010	2009	2008	2010 and 2009	2009 and 2008
	(Dollars in thousands)				
Direct container expense	$ 25,542	$ 39,062	$ 25,709	(34.6%)	51.9%
Cost of trading containers sold	9,046	9,721	28,581	(6.9%)	(66.0%)
Depreciation expense	58,972	48,473	48,900	21.7%	(0.9%)
Amortization expense	6,544	7,080	6,979	(7.6%)	1.4%
General and administrative expense	21,670	20,304	20,991	6.7%	(3.3%)
Short-term incentive compensation expense	4,805	2,924	4,257	64.3%	(31.3%)
Long-term incentive compensation expense	5,318	3,575	3,148	48.8%	13.6%
Bad debt expense, net	145	3,304	3,663	(95.6%)	(9.8%)
Total operating expenses	$132,042	$134,443	$142,228	(1.8%)	(5.5%)

Direct container expense decreased $13,520 (-34.6%) from 2009 to 2010 primarily due to an increase in utilization. From 2009 to 2010, storage expense decreased $11,390, DPP repair expense decreased $1,398 and repositioning expense decreased $1,288. Direct container expense increased $13,353 (51.9%) from 2008 to 2009 primarily due to a decrease in utilization. From 2008 to 2009, storage expense increased $12,535, maintenance expense increased $827, handling expense increased $753 and repositioning expense increased $618, partially offset by a $1,340 decrease in military sublease expense.

Cost of trading containers sold decreased $675 (-6.9%) from 2009 to 2010. $1,767 of this decrease was due to a 19.8% decrease in unit sales due to a decrease in the number of trading containers that we were able to source and sell and $381 of this decrease was due to a 263 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our SDDC contract with them, partially offset by a $1,473 increase due to a 20.6% increase in the average cost per unit of sold containers. Cost of trading containers sold decreased $18,860 (-66.0%) from 2008 to 2009. $15,128 of this decrease was due to a 56.9% decrease in unit sales due to a decrease in the number of trading containers that we were able to source and sell, $2,561 of this decrease was due to a 22.3% decrease in the average cost per unit of sold containers and $1,171 of this decrease was due to a 887 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our SDDC contract with them.

Depreciation expense increased $10,499 (21.7%) from 2009 to 2010 primarily due to an increase in fleet size. Depreciation expense decreased $427 (-0.9%) from 2008 to 2009. $6,173 of this decrease was due to an increase in estimated future residual values used in the calculation of depreciation expense in July 2008, partially offset by a $4,411 increase due to an increase in fleet size and a $1,427 increase in impairments to write down the value of certain containers identified for sale to their estimated fair value.

Amortization expense was $6,544, $7,080 and $6,979 in 2010, 2009 and 2008, respectively. This expense represents the amortization of the amounts paid to acquire the rights to manage the Amficon, Capital Intermodal, Capital and Gateway fleets.

General and administrative expense increased $1,366 (6.7%) from 2009 to 2010 primarily due to a $672 increase in compensation costs and a $552 increase in professional fees. General and administrative expense decreased $687 (-3.3%) from 2008 to 2009 primarily due to a $383 decrease in travel costs, a $190 decrease due to inspection costs and a $99 decrease in insurance expense.

Short-term incentive compensation expense increased $1,881 (64.3%) from 2009 to 2010 due to a higher expected incentive compensation award for fiscal 2010 compared to fiscal year 2009. Short-term incentive compensation expense decreased $1,333 (-31.3%) from 2008 to 2009 due to a lower incentive compensation award for fiscal 2009 compared to fiscal year 2008.

Long-term incentive compensation expense increased $1,743 (48.8%) from 2009 to 2010 due to share options and restricted share units that were granted under the 2007 Share Incentive Plan in November 2009 and 2010. Long-term incentive compensation expense increased $427 (13.6%) from 2008 to 2009 due to share options and restricted share units that were granted under the 2007 Share Incentive Plan in November 2008 and 2009.

Bad debt expense, net, decreased $3,159 (-95.6%) from 2009 to 2010 primarily due to collections on accounts during 2010 that had previously been included in the allowance for doubtful accounts and management's assessment that the financial condition of the Company's lessees and their ability to make required payments have improved since 2009. Bad debt expense, net, decreased $359 (-9.8%) from 2008 to 2009 primarily due to collections on accounts during 2009 that had previously been included in the allowance for doubtful accounts and management's assessment that the financial condition of the Company's lessees and their ability to make required payments have improved since 2008.

The following table summarizes other income (expenses) for the years ended December 31, 2010, 2009 and 2008 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2010	2009	2008	2010 and 2009	2009 and 2008
	(Dollars in thousands)				
Interest expense	$(18,151)	$(11,750)	$(26,227)	54.5%	(55.2%)
Gain on early extinguishment of debt	—	19,398	—	N/A	N/A
Interest income	27	61	1,482	(55.7%)	(95.9%)
Realized losses on interest rate swaps and caps, net	(9,844)	(14,608)	(5,986)	(32.6%)	144.0%
Unrealized (losses) gains on interest rate swaps, net	(4,021)	11,147	(15,105)	(136.1%)	(173.8%)
Other, net	(1,591)	35	(203)	(4645.7%)	(117.2%)
Net other (expense) income	$ (33,580)	$ 4,283	$ (46,039)	(884.0%)	(109.3%)

Interest expense increased $6,401 (54.5%) from 2009 to 2010. $5,800 of this increase was due to an increase in average variable interest rates on debt of 0.82 percentage points and $601 of this increase was due to an increase in average debt balances of $34,585. Interest expense decreased $14,477 (-55.2%) from 2008 to 2009. $16,364 of this decrease was due to a decrease in average variable interest rates on debt of 2.42 points, partially offset by an increase of $1,887 due to an increase in average debt balances of $45,428.

During the first half of 2009, we repurchased $65,000 in original face amount, or $39,917 in outstanding principal amount, of our 2005-1 Bonds for $20,234 and recorded a gain on early extinguishment of debt of $19,398, net of the write-off of deferred debt financing costs of $285.

Interest income was relatively flat in 2010 compared to 2009. Interest income decreased $1,421 (-95.9%) from 2008 to 2009. $1,130 of this decrease was due to a decrease in average interest rates of 1.55 percentage points and $291 of this decrease was due to a decrease in average cash balances of $17,669.

Realized losses on interest rate swaps and caps, net decreased $4,764 (-32.6%) from 2009 to 2010. $3,716 of this decrease was due to a decrease in average net settlement differential between variable interest rates

received compared to fixed interest rates paid on interest rate swaps of 1.02 percentage points and $1,048 of this decrease was due to a decrease in average interest rate swap notional amounts of $28,271. Realized losses on interest rate swaps and caps, net increased $8,622 (144.0%) from 2008 to 2009. $8,381 of this increase was due to an increase in average net differential settlement between variable interest rates received compared to fixed interest rates paid on interest rate swaps of 2.13 percentage points and an increase of $241 due to an increase in average interest rate swap notional amounts of $15,246.

Unrealized (losses) gains on interest rate swaps, net changed from a net gain of $11,147 in 2009 to a net loss of $4,021 in 2010 due to an decrease in the net fair value liability of interest rate swap agreements held in 2009 compared to an increase in the net fair value liability of interest rate swap agreements held in 2010 resulting from a decrease in long-term interest rates during 2010 compared to an increase in long-term interest rates during 2009. Unrealized gains (losses) on interest rate swaps, net changed from a net loss of $15,105 in 2008 to a net gain of $11,147 in 2009 due to an increase in the net fair value liability of interest rate swap agreements held in 2008 compared to a decrease in the net fair value liability of interest rate swap agreements held in 2009 resulting from an increase in long-term interest rates during 2009 compared to a decrease in long-term interest rates during 2008.

Other, net changed from a gain of $35 in 2009 to an expense of $1,591 in 2010 primarily due to a $1,154 increase in structuring fees paid by TMCL for container purchases and the recognition of a $384 gain in 2009 for the Company's share of proceeds from the sale of Trencor's South African container manufacturing plant.

The following table summarizes income tax expense (benefit) and net income attributable to the noncontrolling interest for the years ended December 31, 2010, 2009 and 2008 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2010	2009	2008	2010 and 2009	2009 and 2008
	(Dollars in thousands)				
Income tax expense (benefit)	$ 4,493	$ 3,471	$ (871)	29.4%	(498.5%)
Net income attributable to the noncontrolling interest	$13,733	$14,554	$8,681	(5.6%)	67.7%

Income tax expense increased $1,022 (29.4%) from 2009 to 2010. $3,799 of this increase was due to a higher effective tax rate and $2,212 of this increase was due to a higher level of income before tax and noncontrolling interest, partially offset by a reduction in unrecognized tax benefits and related interest accruals. The 2007 and 2008 tax returns for TGH's subsidiary Textainer Equipment Management (U.S.) Limited ("TEMUS") were examined by the U.S. Internal Revenue Service (the "IRS"). In May 2010, the Company received notification from the IRS that they had completed their examination and made only minor changes to the amounts of tax reported. As a result, income tax expense for the fiscal year ended 2010 reflects a decrease of $2,259 related to the Company's reduction of unrecognized tax benefits. In addition, income tax expense for the fiscal year ended 2010 also reflects a decrease of $2,275 due to the lapsing of the statute of limitations and a decrease of $455 due to the reduction in interest accruals on liabilities for unrecognized tax benefits. Income tax expense (benefit) changed from an income tax benefit of $871 in 2008 to income tax expense of $3,471 in 2009. The 2004 United States tax return for TEMUS and the 2004 and 2005 United States tax returns for TGH's subsidiary Textainer Limited ("TL") were examined by the IRS. In May 2008, the Company received notification from the IRS that they had completed their examination and made no changes to the amounts of tax reported. As a result, income tax benefit for the fiscal year ended 2008 reflects a benefit of $4,191 related to the Company's reduction of unrecognized tax benefits and a decrease of $289 due to the reduction in interest accruals on liabilities for unrecognized tax benefits. In addition, $473 of the change from 2008 to 2009 was due to a lower effective tax rate, partially offset by a $610 increase due to a higher level of income before tax and noncontrolling interest.

Net income attributable to the noncontrolling interest decreased $821 (-5.6%) from 2009 to 2010 due to a lower level of net income generated by TMCL. Net income attributable to the noncontrolling interest increased $5,873 (67.7%) from 2008 to 2009 due to a higher level of net income generated by TMCL. See Item 4, "*Information on the Company—History and Development of the Company.*"

Segment Information

The following table summarizes our income before taxes attributable to each of our business segments for the years ended December 31, 2010 and 2009 and 2008 (before inter-segment eliminations) and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2010	2009	2008	2010 and 2009	2009 and 2008
	(Dollars in thousands)				
Container ownership	$119,772	$95,178	$67,908	25.8%	40.2%
Container management	$ 15,901	$ 9,981	$17,598	59.3%	(43.3%)
Container resale	$ 7,995	$ 7,993	$ 13,223	0.0%	(39.6%)

Income before taxes attributable to the container ownership segment increased $24,594 (25.8%) from 2009 to 2010. This increase primarily consisted of a $46,146 increase in lease rental income, a $15,503 increase in gain on sale of containers, net, a $8,384 decrease in direct container expense, a $4,764 decrease in realized losses on interest rate swaps and caps, net and a $3,178 decrease in bad debt expense, net, partially offset by a $19,398 gain from early extinguishment of debt recorded for the year ended December 31, 2009, a change in unrealized (losses) gains on interest rate swaps, net from net gains of $11,147 in 2009 to net losses of $4,021 in 2010, a $10,802 increase in depreciation expense, a $6,401 increase in interest expense and a $1,154 increase in structuring fees paid by TMCL for container purchases.

Income before taxes attributable to the container ownership segment increased $27,270 (40.2%) from 2008 to 2009. This increase consisted of a change in unrealized gains (losses) on interest rate swaps, net from a net loss of $15,105 in 2008 to a net gain of $11,147 in 2009, a $19,398 gain on early extinguishment of debt and a $14,477 decrease in interest expense, partially offset by a $12,574 increase in direct container expense, a $8,622 increase in realized losses on interest rate swaps and caps, net, a $6,364 decrease in lease rental income and a $5,709 decrease in gain on sale of containers, net.

Income before taxes attributable to the container management segment increased $5,920 (59.3%) from 2009 to 2010 primarily due to a $10,644 increase in management fees, partially offset by a $1,703 increase in short-term incentive compensation expense, a $1,581 increase in long-term incentive compensation expense and a $1,121 increase in overhead expense.

Income before taxes attributable to the container management segment decreased $7,617 (-43.3%) from 2008 to 2009 primarily due to a $7,259 decrease in management fees, a $1,114 decrease in sublease income and a $736 decrease in interest income, partially offset by a $1,333 decrease in short-term incentive compensation expense.

Income before taxes attributable to the container resale segment was relatively flat for the fiscal year ended December 31, 2010 compared to the fiscal year ended 2009 due to an increase in sales commissions primarily due to an increase in average managed container sales prices, partially offset by an increase in overhead expenses.

Income before taxes attributable to the container resale segment decreased $5,230 (-39.6%) from 2008 to 2009. This decrease consisted of a $5,914 decrease in gains on container trading, net due to both a lower volume of container sales and a decrease in average gross margin of $139 per unit, partially offset by a $488 increase in sales commissions primarily due to a higher volume of managed container sales partially offset by a decrease in average managed container sales prices and a $196 decrease in overhead expenses.

Currency

As in previous years, almost all of our revenues are denominated in U.S. dollars and approximately 66% of our direct container expenses in 2010 were denominated in U.S. dollars. Our operations in locations outside of the U.S. have some exposure to foreign currency fluctuations, and trade growth and the direction of trade flows can be influenced by large changes in relative currency values. In 2010, our non-U.S. dollar operating expenses were spread among 18 currencies, resulting in some level of self-hedging. We do not engage in currency hedging.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect reported amounts of assets and liabilities, the reported amounts of income and expenses during the reporting period and the disclosure of contingent assets and liabilities as of the date of the financial statements. We have identified the policies and estimates below as among those critical to our business operations and the understanding of our results of operations. These policies and estimates are considered critical due to the existence of uncertainty at the time the estimate is made, the likelihood of changes in estimates from period to period and the potential impact that these estimates can have on our financial statements. The following accounting policies and estimates include inherent risks and uncertainties related to judgments and assumptions made by us. Our estimates are based on the relevant information available at the end of each period.

Revenue Recognition

Lease Rental Income. We recognize revenue from operating leases of our owned containers as earned over the term of the lease. Where minimum lease payments vary over the lease term, revenue is recognized on a straight-line basis over the term of the lease. We cease recognition of lease revenue if and when a container lessee defaults in making timely lease payments or we otherwise determine that future lease payments are not likely to be collected from the lessee. Our determination of the collectability of future lease payments is made by management on the basis of available information, including the current creditworthiness of container shipping lines that lease containers from us, historical collection results and review of specific past due receivables. If we experience unexpected payment defaults from our container lessees, we will cease revenue recognition for those leases, which will reduce container rental revenue. Finance lease income is recognized using the effective interest method, which generates a constant rate of interest over the period of the lease. The same risks of collectability discussed above apply to our collection of finance lease income. If we experience unexpected payment defaults under our finance leases, we will cease revenue recognition for those leases that will reduce finance lease income.

Our leases typically require the lessee to pay, at the end of the lease term, for any damage to the container beyond normal wear and tear. We also offer a DPP pursuant to which the lessee pays a fee over the term of the lease, primarily on a daily basis, in exchange for not being charged for certain damages at the end of the lease term. It is our policy to recognize these revenues as earned on a daily basis over the related term of the lease. We have not recognized revenue for customers who are billed at the end of the lease term under our DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts because the amounts due under the DPP are typically re-negotiated at the end of the lease term or when the lease term is extended.

Management Fee Revenue. We recognize revenue from management fees earned under management agreements on an as earned basis. Fees are typically calculated as a percentage of net operating income, which is revenue from the containers under management minus direct operating expense related to those containers. If a lessee of a managed container defaults in making timely lease payments or we otherwise determine that future lease payments are not likely to be collected from the lessee, then we will cease to record lease revenue, which in turn will result in reduced management fee revenue.

Accounting for Container Leasing Equipment

Accounting for container leasing equipment includes depreciation, impairment of held for use equipment and the impairment of containers held for sale.

Depreciation. When we acquire containers, we record the cost of the container on our balance sheet. We then depreciate the container over its estimated useful life (which represents the number of years we expect to be able to lease the container to shipping lines) to its estimated "residual value" (which represents the amount we estimate we will recover upon the sale or other disposition of the equipment at the end of its "useful life" as a shipping container). Our estimates of useful life are based on our actual experience with our fleet, and our estimates of residual value are based on a number of factors including disposal price history.

We review our depreciation policies, including our estimates of useful lives and residual values, on a regular basis to determine whether a change in our estimates of useful lives and residual values is warranted. Prior to July 1, 2008, we estimated that standard dry freight containers, which represent most of the containers in our fleet, have a useful life of 12 years and had residual values of $850 for a 20', $950 for a 40' and $1,000 for a 40' high cube. Beginning July 1, 2008, we changed our residual value estimates to $950 for a 20', $1,100 for a 40' and $1,200 for a 40' high cube. Our change in residual value estimates was based on recent sales history and current market conditions for the sale of used containers, which we believe is currently the best indicator of the residual value we will realize. The effect of these changes has been and will continue to be a reduction in both depreciation expense and gains on sales of containers, net, as compared to what would have been reported using the previous estimates. We continue to estimate a container's "useful life" in marine service to be 12 years from the first lease out date after manufacture.

If market conditions in the future warrant a further change of our estimates of the useful lives or residual values of our containers, we may be required to again recognize increased or decreased depreciation expense. A decrease in either the useful life or residual value of our containers would result in increased depreciation expense and decreased net income.

Impairment. On a quarterly basis we evaluate our containers held for use in our leasing operation to determine whether there has been any event such as a decline in results of operations or residual values that would cause the book value of our containers held for use to be impaired. This evaluation is performed at the lowest level of identifiable cash flows which we have determined to be groups of containers based on equipment type and year of manufacture. Any such impairment would be expensed in our results of operations. Impairment exists when the estimated future undiscounted cash flows to be generated by an asset group are less than the net book value of that asset group. Were there to be a triggering event that may indicate impairment, undiscounted future cash flows would be compared to the book values of the corresponding asset group. Estimated undiscounted cash flows would be based on historical lease operating revenue and expenses and historical residual values, adjusted to reflect current market conditions. The Company has never recorded an impairment for any container while classified as held for use, see below for discussion of *Containers Held for Sale*. If impairment were to exist, the containers would be written down to their fair value. This fair value would then become the containers' new cost basis and would be depreciated over their remaining useful life in marine services to their estimated residual values. Any impairment charge would result in decreased net income.

Containers Held for Sale. We also evaluate all off-lease containers to determine whether the containers will be repaired and returned to service or sold based upon what we estimate will be the best economic alternative. If we designate a container as held for sale, depreciation on the container ceases, and the container is reported at the lower of (1) its recorded value or (2) the amount we expect to receive upon sale (less the estimated cost to sell the container). Containers held for sale are evaluated for impairment on a quarterly basis based on sale prices for similar types of equipment in the locations in which the containers are stored. Any write-down of containers held for sale is reflected in our statement of operations as an expense. If a large number of containers are designated as held for sale or prices for used containers drop, impairment charges for containers held for sale may increase which would result in decreased net income.

Allowance for Doubtful Accounts

We only lease to container shipping lines and other lessees that meet our credit criteria. Our credit approval process is rigorous and all of our underwriting and credit decisions are controlled by our credit committee, which is made up of senior management from different disciplines and includes our Chief Executive Officer, Chief Financial Officer and Executive Vice Presidents. Our credit committee sets different maximum exposure limits depending on our relationship and previous experience with each customer lessee and container sales customer. Credit criteria may include, but are not limited to, trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, operational history and financial strength.

Our credit department sets and reviews credit limits for new and existing customer lessees and container sales customers, monitors compliance with those limits on an on-going basis, monitors collections, and deals with customers in default. Our credit department actively maintains a credit watch report on our proprietary information technology systems, which is available to all regional and area offices. This credit watch report lists customer lessees and container sales customers at or near their credit limits. New leases of containers by customer lessees on the credit watch report would only be allowed with the approval of our credit department. Similarly, management may decide to stop sales of containers to purchasers whose payments are delinquent. Our underwriting processes are aided by the long payment experience we have with most of our customer lessees and container sales customers, our broad network of relationships in the container shipping industry that provide current information about customer lessees' and container sales customers' market reputations and our focus on collections.

Other factors reducing losses due to default by a lessee or customer include the strong growth in the container shipping industry, effective collection tools, our high recovery rate for containers in default situations and the re-marketability of our container fleet. The strong growth in the container shipping industry helps reduce the risk of customer defaults since the core assets of a poorly performing shipping line, its ships and containers, have historically been needed to meet the demand for world containerized trade. As a result, poorly performing shipping lines are often acquired by other shipping lines. In addition, the law in several major port locations is highly favorable to creditors and many of our large customers call on ports that will allow us to arrest, or seize, the customers' ships or fuel storage bunkers, or repossess our containers if the customer is in default under our container leases. Finally, we also purchase insurance for equipment recovery and loss of revenue due to customer defaults, in addition to the insurance that our customers are required to obtain.

During 2006 through 2010, we recovered, on average, 65.5% of the containers that were the subject of defaulted contracts which had at least 1,000 CEU on lease. We typically incur operating expenses such as repairs and repositioning when containers are recovered after a default. However, all recovery expenses are typically covered under insurance and we are reimbursed above our deductible amount. Due to the above, over the last five years, our write-offs of customer receivables for our owned and managed fleet have averaged 1.3% of our lease rental income over such period, and we believe that our receivables and days outstanding are low for the container leasing industry.

Our allowance for doubtful accounts is reviewed regularly by our management and is based on the risk profile of the receivables, credit quality indicators such as the level of past due amounts and economic conditions. Our credit committee meets regularly to assess performance of our container lessees and to recommend actions to be taken in order to reduce credit risks. Changes in economic conditions or other events may necessitate additions or deductions to the allowance for doubtful accounts. The allowance is intended to provide for losses inherent in the owned fleet's accounts receivable, and requires the application of estimates and judgments as to the outcome of collection efforts and the realization of collateral, among other things. If the financial condition of our container lessees were to deteriorate, reducing their ability to make payments, additional allowances may be required, which would decrease our net income or increase our net loss in the period of the adjustment.

Income Taxes

Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in our consolidated financial statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax basis of particular assets and liabilities, using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance would be recorded to reduce our deferred tax assets to an amount we determine is more likely than not to be realized, based on our analyses of past operating results, future reversals of existing taxable temporary differences and projected taxable income. Our analyses of future taxable income are subject to a wide range of variables, many of which involve estimates. Uncertainty regarding future events and changes in tax regulation could materially alter our valuation of deferred tax liabilities and assets. If we determine that we would not be able to realize all or part of our deferred tax assets in the future, we would record a valuation allowance and make a corresponding change to our earnings in the period in which we make such determination. If we later determine that we are more likely than not to realize our deferred tax assets, we would reverse the applicable portion of the previously provided valuation allowance.

In certain situations, a taxing authority may challenge positions adopted in our income tax filings. For transactions that we believe may be challenged, we may apply a different tax treatment for financial reporting purposes. We account for income tax positions by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. Should an audit by a taxing authority result in settlement for an amount greater than the amount we have reserved, we will incur additional tax expense and reduced net income.

Recent Accounting Pronouncements

The FASB issued ASU 2009-13 *Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue* Arrangements, which formally codifies the FASB's ratification in September 2009 of Emerging Issues Task Force ("EITF") Issue No. 08-1, *Revenue Arrangements with Multiple Deliverables*. ASU 2009-13 updates the current guidance pertaining to multiple-element revenue arrangements included in the FASB's ASC Topic 605-25 *Revenue Recognition —Multiple-Element Arrangements*, which originated primarily from EITF Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*. ASU 2009-13 will be effective for annual reporting periods beginning January 1, 2011 for calendar-year entities. The Company does not believe that the adoption of ASU 2009-13 will have a material impact on its consolidated financial position, results of operations or cash flows on its consolidated financial position, results of operations or cash flows.

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 amends Subtopic 820-10 with new disclosure requirements and clarification of existing disclosure requirements. New disclosures required include the amount of significant transfers in and out of levels 1 and 2 fair value measurements and the reasons for the transfers. In addition, the reconciliation for level 3 activity will be required on a gross rather than net basis. ASU 2010-06 provides additional guidance related to the level of disaggregation in determining classes of assets and liabilities and disclosures about inputs and valuation techniques. The amendments are effective for annual or interim reporting periods beginning after December 15, 2009, except for the requirement to provide the reconciliation for level 3 activity on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. Accordingly, the Company adopted ASU 2010-6, with the exception of the reconciliation requirements for level 3 activity, on January 1, 2010, which had no impact on the Company's consolidated financial position, results of operations or cash flows. The Company does not believe that the adoption of the reconciliation requirements of ASU 2010-6 for level 3 activity will have a material impact on its consolidated financial position, results of operations or cash flows.

In July 2010, the FASB issued ASU 2020-10, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses (Topic 310)* ("ASU 2010-20"). The main objective of ASU 2010-20 is to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. ASU 2010-20 is intended to provide additional information to assist financial statement users in assessing an entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. Currently, a high threshold for recognition of credit impairments impedes timely recognition of losses. ASU 2010-20 was effective for interim and annual reporting periods ending on or after December 15, 2010 for disclosures as of the end of a reporting period and will be effective for interim and annual reporting periods beginning on or after December 15, 2010 for disclosures about activity that occurs during a reporting period. Accordingly, the Company adopted the disclosures required by ASU 2010-20 at the end of a reporting period as of December 31, 2010. The Company does not believe the adoption of disclosures required by ASU 2010-20 for activity that occurs during a reporting period will have a material effect on its consolidated financial position, results of operations or cash flows.

B. Liquidity and Capital Resources

As of December 31, 2010, we had cash and cash equivalents of $57,081. Our principal sources of liquidity have been (1) cash flows from operations, (2) the sale of containers, (3) borrowings under a conduit facility (which allows for recurring borrowings and repayments) granted to TMCL (the "Secured Debt Facility") and (4) borrowings under the revolving credit facility extended to one of our subsidiaries, TL (the "2008 Credit Facility"). As of December 31, 2010, we had the following outstanding borrowings and borrowing capacities under the 2008 Credit Facility, the Secured Debt Facility and the variable rate amortizing bonds (the "2005-1 Bonds") by one of our subsidiaries, TMCL (in thousands):

Facility	Current Borrowing	Additional Borrowing Commitment	Total Commitment	Current Borrowing	Additional Available Borrowing, as Limited by our Borrowing Base	Total Current and Available Borrowing
2008 Credit Facility	$ 104,000	$ 101,000	$ 205,000	$ 104,000	$ 36,757	$ 140,757
Secured Debt Facility	558,500	191,500	750,000	558,500	146,122	704,622
2005-1 Bonds	227,458	—	227,458	227,458	—	227,458
Total	$889,958	$292,500	$1,182,458	$889,958	$ 182,879	$1,072,837

We have typically funded a significant portion of the purchase price of new containers through borrowings under our 2008 Credit Facility and our Secured Debt Facility and intend to continue to do so in the future. In 2001 and again in 2005, at such time as the Secured Debt Facility reached an appropriate size, the facility was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the Secured Debt Facility nears its maximum size. This timing will depend on our level of future purchases of containers.

Our cash inflows from operations are affected by the utilization rate of our fleet and the per diem rates of our leases, whereas the cash inflows from proceeds for the sale of containers are affected by market demand for used containers and our available inventory of containers for sale. Our cash outflows are affected by payments and expenses related to our purchasing of containers, interest on our debt obligations or other contingencies discussed in Note 12 "Commitments and Contingencies" to our consolidated financial statements in Item 18, " *Financial Statements*" in this Annual Report on Form 20-F, which may place demands on our short-term liquidity.

We are a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries, which own our operating assets. As a result, we are dependent on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends on our common shares. Our subsidiaries are legally distinct from

us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. If we are unable to obtain funds from our subsidiaries, we may be unable to, or our board may exercise its discretion not to, pay dividends on our common shares. Our board of directors takes a fresh view every quarter, taking into consideration our cash needs for opportunities that may be available to us, and sets our dividend accordingly. TL's 2008 Credit Facility also prohibits us from paying dividends in excess of 70% of our annual net income attributable to Textainer Group Holdings Limited common shareholders excluding unrealized losses (gains) on interest rate swaps, net.

The disruption in the credit market in 2008 and 2009 had a significant adverse impact on a number of financial institutions. To date, our liquidity has not been impacted by the current credit environment. Assuming that our lenders remain solvent, we currently believe that cash flow from operations, proceeds from the sale of containers and borrowing availability under our debt facilities are sufficient to meet our liquidity needs, including for the payment of dividends, for the next twelve months. We will continue to monitor our liquidity and the credit markets. However, we cannot predict with any certainty the impact to the Company of any further disruptions in the credit environment.

Description of Indebtedness

2008 Credit Facility. TL has a credit agreement with Bank of America, N.A. and other lenders to provide it with a revolving credit facility in the amount of $205,000 (the "2008 Credit Agreement"). The 2008 Credit Agreement also provides for a $50,000 letter of credit facility included within the $205,000 commitment (together, the "2008 Credit Facility"). The 2008 Credit Facility provides for payments of interest only during its term, beginning on its inception date through April 22, 2013, the Maturity Date. There is a commitment fee of 0.20% to 0.30% on the unused portion of the 2008 Credit Facility, which varies based on the leverage of TGH and is payable quarterly in arrears. In addition, there is an agent's fee on the commitment amount, which is payable annually in advance.

Under the terms of the 2008 Credit Facility, the total outstanding principal amount available to be drawn there under is calculated pursuant to a formula based on a percentage of the net book value of our containers and our outstanding debt with respect thereto. Any outstanding letter of credit not cash collateralized will reduce the amount available in the form of cash borrowings under the 2008 Credit Facility. The 2008 Credit Facility provided an additional amount available, as limited by the Company's borrowing base, in the amount of $36,757 as of December 31, 2010.

The 2008 Credit Facility contains restrictive covenants, including limitations on certain liens, indebtedness and investments. In addition the 2008 Credit Facility contains certain restrictive financial covenants on TL and TGH. The credit facility covenants require TGH to maintain (1) a minimum consolidated tangible net worth of $268,068, plus 30% of consolidated net income after December 31, 2007, plus 100% of the increase in net worth resulting from the sale of any equity interests in TGH or any subsidiary thereof; (2) a consolidated leverage ratio of 3.50 to 1.00 or less; and (3) a minimum consolidated debt service ratio of 1.10 to 1.00. The credit facility covenants also require TL to maintain (1) a consolidated leverage ratio of 3.50 to 1.00 or less and (2) a minimum consolidated interest coverage ratio of 1.35 to 1.00. We were in compliance with all such covenants at December 31, 2010.

Interest on the borrowings under the 2008 Credit Facility at December 31, 2010 was based on either the U.S. prime rate or LIBOR plus a spread between 0.5% and 1.5%. As of December 31, 2010, $104,000 was outstanding under the 2008 Credit Facility.

Although no repayment of the principal amount of outstanding borrowings is required until April 22, 2013, we may make optional prepayments prior to this date. Mandatory prepayments are required prior to the Maturity Date if the amount of outstanding loans and letters of credit exceeds the amount of the borrowing base. Any such prepayment will be in the amount required to reduce the amount of outstanding loans and letters of credit to the amount of the borrowing base.

The 2008 Credit Facility is secured by certain container-related assets of TL. Textainer Group Holdings Limited acts as a guarantor of the 2008 Credit Facility. The guaranty is secured by ordinary shares of TL, cash, assets readily convertible into cash and amounts due to us from our subsidiaries.

We have made certain representations and warranties in the 2008 Credit Agreement and are subject to certain reporting requirements and financial performance and other covenants. We are required to reaffirm certain representations and warranties as a condition to borrowing. If we are not able to do so, the committed borrowing amounts may not be available. The 2008 Credit Agreement restricts, among other things, our ability to consummate mergers, sell and acquire assets, make certain types of payments relating to our share capital, including dividends, incur indebtedness, permit liens on assets, make investments, enter into or amend certain contracts, enter into certain transactions with affiliates or negative pledge with respect to TMCL shares.

Events of default under the 2008 Credit Agreement include, among others:

- a default in required payment by TL or TGH on any indebtedness or guarantee in excess of $15,000 (other than the 2008 Credit Facility and interest rate swap agreements);
- a material adverse change of the company;
- unsatisfied judgments against us that could result in a material adverse change or that equal at least $15,000 to the extent not subject to a policy of insurance;
- failure of any of the security documents or a default under the guaranty;
- early termination of interest rate swap agreements by TGH or any of its subsidiaries or counterparties with a termination value owed by TGH or any of its subsidiaries in excess of $5,000; and
- the occurrence of certain Employee Retirement Income Security Act ("ERISA") events.

Secured Debt Facility. TMCL has a securitization facility pursuant to which it has issued Floating Rate Asset Backed Notes, Series 2010-1 ("2010-1 Notes") with a total commitment of $750,000 pursuant to the Third Amended and Restated Series 2010-1 Supplement, dated as of June 29, 2010 (the "2010-1 Supplement"), to its Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended as of June 3, 2005, June 8, 2006, July 2, 2008 and June 29, 2010, the "Indenture"). Our primary ongoing container financing requirements are funded by commitments under the Secured Debt Facility. The Secured Debt Facility provided a total commitment in the amount of $750,000 as of December 31, 2010. Of this amount, $558,500 had been drawn and the additional amount available for borrowing, as limited by TMCL's borrowing base, was $146,122 as of December 31, 2010. In addition, TMCL exercised an option to increase the size of the total commitment from $750,000 to $850,000 on March 15, 2011.

Prior to the conversion date (currently defined as June 29, 2012), each of the 2010-1 Notes is a revolving note with a maximum principal amount equal to the amount of that 2010-1 Note. As a result, the amount funded under such 2010-1 Note may be less than the face amount of that 2010-1 Note. TMCL may request funding under the 2000-1 Notes from time to time prior to the conversion date. Each of the 2010-1 Notes provides for payments of interest only during the period from its inception until its conversion date. Given a conversion date of June 29, 2012, the first principal payment would be on July 15, 2012. However, we have the option of repaying principal of the 2010-1 Notes at any time. After the conversion date, the 2010-1 Notes fully amortize over a payment term that is scheduled to equal 10 years after the conversion date, but shall not exceed a maximum payment term of 15 years thereafter.

Payments of interest on the 2010-1 Notes are due monthly in arrears. Interest on the outstanding amounts of the 2010-1 Notes equal LIBOR plus 2.75% during the revolving period prior to the conversion date. Overdue payments of principal and interest of the 2010-1 Notes accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts. There is a commitment fee on the unused portion of the commitments under the 2010-1 Notes, which is payable in arrears, of 0.75% if total borrowings under the 2010-1 Notes equal 50% or more of the total commitment or 1.00% if total borrowings under the 2010-1 Notes are less than 50% of the total commitment.

Under the Indenture, TMCL, Textainer Equipment Management ("TEM"), one of TGH's subsidiaries, and TGH must maintain certain financial covenants, including the following (i) TMCL must maintain at least a 1.25 to 1.00 ratio of earnings (before interest expense and taxes) to interest expense; (ii) TEM may not incur more than $1,000 of consolidated funded debt (iii) TEM must make at least $2,000 in after-tax profits annually and (iv) TGH must maintain a ratio of consolidated funded debt to consolidated tangible net worth that is no greater than 4.00 to 1.00. We were in compliance with these requirements at December 31, 2010.

2005-1 Bonds. TMCL has also issued $580,000 in Floating Rate Asset Backed Notes, Series 2005-1 ("the "2005-1 Bonds") pursuant to its Series 2005-1 Supplement, dated as of May 26, 2005, to the Indenture. The 2005-1 Bonds are term notes. The 2005-1 Bonds were purchased by various institutional investors.

Payments of principal and interest on the 2005-1 Bonds are due monthly. The 2005-1 Bonds fully amortize on a straight-line basis over a payment term that is scheduled to equal 10 years (with a target final payment date of May 15, 2015), but shall not exceed a maximum payment term of 15 years (with a legal final payment date of May 15, 2020). Under a 10-year amortization schedule, $51,500 of principal of the 2005-1 Bonds will amortize per year. The interest rate applicable to the 2005-1 Bonds equals one-month LIBOR plus 0.25%. Overdue payments of principal and interest on the 2005-1 Bonds accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts. Ultimate repayment of the 2005-1 Bonds has been insured by Ambac Assurance Corporation and the cost of this insurance coverage, which is equal to 0.275% on the outstanding principal balance of the 2005-1 Bonds, is recognized as incurred on a monthly basis.

The Secured Debt Facility and the 2005-1 Bonds are both governed by the Indenture and are secured by a pledge of, among other things, TMCL's containers, certain contracts related to TMCL's containers and the securitization facility, certain bank accounts, proceeds from the operation of TMCL's containers, and all other assets of TMCL to the extent that they relate to the containers. Under the terms of the Secured Debt Facility and the 2005-1 Bonds, the total outstanding principal of these two programs may not exceed an amount that is calculated by a formula based on TMCL's book value of equipment, restricted cash and direct financing and sales-type leases. The Secured Debt Facility and the 2005-1 Bonds also contain restrictive covenants regarding the average age of TMCL's container fleet, ability to incur other obligations and to distribute earnings, and overall asset base minimums, with which TMCL and TEM were in compliance at December 31, 2010.

We have made certain representations and warranties and are subject to certain reporting requirements and other covenants in connection with the Indenture and the Secured Debt Facility and 2005-1 Bonds. In addition, we are required to reaffirm certain representations and warranties as a condition to borrowing. If we are not able to do so, the committed borrowing amounts may not be available. These covenants restrict, among other things, TMCL's ability to transfer the collateral, permit liens on collateral, engage in activities within the U.S., incur indebtedness, make loans or guarantees, consummate mergers, sell assets, enter into or amend certain contracts, create subsidiaries and make investments. We were in compliance with all such covenants at December 31, 2010.

Events of default under the 2010-1 Notes and the 2005-1 Bonds include, among others:

- invalidity of the lien on collateral;
- certain defaults under other documents related to each of the notes;
- the funded notes exceeding the asset base;
- payment on the notes by the insurer thereof;
- TMCL becoming obligated to register as an investment company under the Investment Company Act; and
- the occurrence of certain ERISA events.

Cash Flow

The following table summarizes historical cash flow information for the years ended December 31, 2010, 2009 and 2008:

	December 31,		
	2010	2009	2008
		(Dollars in thousands)	
Net income	$ 133,764	$ 105,330	$ 93,922
Adjustments to reconcile net income to net cash provided by operating activities	30,119	8,432	42,487
Net cash provided by operating activities	163,883	113,762	136,409
Net cash used in investing activities	(302,964)	(75,488)	(231,902)
Net cash provided by (used in) financing activities	139,284	(53,058)	98,339
Effect of exchange rate changes	59	113	(803)
Net increase (decrease) in cash and cash equivalents	262	(14,671)	2,043
Cash and cash equivalents at beginning of year	56,819	71,490	69,447
Cash and cash equivalents at end of year	$ 57,081	$ 56,819	$ 71,490

Operating Activities

Net cash provided by operating activities increased $50,121 (44.1%) from 2009 to 2010 primarily due to an increase in net income primarily resulting from both an increase in utilization due to improved conditions in the shipping line industry and an increase in the owned fleet size due to the purchase of new containers. Net cash provided by operating activities decreased $22,647 (-16.6%) from 2008 to 2009 primarily due to a decrease in net income primarily resulting from a decrease in utilization due to deteriorated conditions in the shipping line industry, partially offset by an increase in payments to owners.

Investing Activities

Net cash used in investing activities increased $227,476 (301.3%) from 2009 to 2010 due to higher container purchases, partially offset by a higher receipt of principal payments on direct financing and sales-type leases, an increase in proceeds from the sale of containers and fixed assets and the purchase of intangible assets in 2009. Net cash used in investing activities decreased $156,414 (-67.4%) from 2008 to 2009 due to lower new container purchases and a higher receipt of principal payments on direct financing and sales-type leases, partially offset by an increase in the purchase of intangible assets and a decrease in proceeds from the sale of containers and fixed assets.

Financing Activities

Net cash provided by (used in) financing activities changed from net cash used in financing activities of $53,058 in 2009 to net cash provided by financing activities of $139,284 in 2010 primarily due to a $199,500 increase in net proceeds from our Secured Debt Facility, the extinguishment of 2005-1 Bonds for $20,234 in 2009, proceeds from the issuance of common shares upon the exercise of share options of $5,033 in 2010, and a decrease of $1,793 in principal payments on 2005-1 Bonds, partially offset by a $8,448 increase in restricted cash in 2010 compared to a $9,521 decrease in restricted cash in 2009, a $11,558 increase in debt issuance costs, a $3,691 increase in dividends paid and a $1,000 decrease in net proceeds from our 2008 Credit Facility. Net cash (used in) provided by financing activities changed from net cash provided by financing activities of $98,339 in 2008 to net cash used in financing activities of $53,058 in 2009 primarily due to a $140,300 decrease in net proceeds from our Secured Debt Facility, the extinguishment of 2005-1 Bonds for $20,234 in 2009, a decrease in proceeds from our 2008 Credit Facility of $5,500, a $1,572 increase in dividends paid and $432 of repayments of

notes receivable from shareholders in 2008, partially offset by a $9,521 decrease in restricted cash in 2009 compared to a $635 decrease in restricted cash in 2008, a $4,707 decrease in principal payments on 2005-1 Bonds and a $3,017 decrease in debt issuance costs.

C. Research and Development, Patents and Licenses, etc.

We do not carry out research and development activities and our business and profitability are not materially dependent upon any patents or licenses. We have registered "TEXTAINER," "TEX" and "tex" (logo) in the U.S. Patent and Trademark Office and in the patent and trademark agencies of thirteen countries as trademarks.

D. Trend Information

Please see Item 5, "*Operating and Financial Review and Prospects—Tabular Disclosure of Contractual Obligations*" for a description of identifiable trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, our liquidity either increasing or decreasing at present or in the foreseeable future. We will require sufficient capital in the future to meet our payments and other obligations under our contractual obligations and commercial commitments. The need to make such payments is a "Trend" as it is unlikely that all such obligations will be eliminated from our future business activities. We intend to utilize cash on hand in order to meet our obligations under our contractual obligations and commercial commitments. It is likely that we will generate sufficient operating cash flow to meet these ongoing obligations in the foreseeable future. From time to time, we may issue additional debt in order to raise capital for future requirements.

E. Off-Balance Sheet Arrangements

At December 31, 2010 we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments by due date as of December 31, 2010:

	Payments Due by Period						
	Total	1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years
	(Dollars in thousands) (Unaudited)						
Total debt obligations:							
2008 Credit Facility	$ 104,000	$ —	$ —	$ 104,000	$ —	$ —	$ —
2005-1 Bonds	227,458	51,500	51,500	51,500	51,500	21,458	
Secured Debt Facility	558,500	—	27,925	55,850	55,850	55,850	363,025
Interest obligation (1)	117,805	19,974	19,351	16,510	14,008	11,964	35,998
Interest rate swaps payable (2)	27,144	9,572	8,838	5,548	2,315	871	—
Office lease obligations	8,506	1,471	1,423	1,303	1,319	2,990	—
Container contracts payable	98,731	98,731	—	—	—	—	—
Total contractual obligations	$1,142,144	$181,248	$109,037	$234,711	$124,992	$ 93,133	$399,023

(1) Assuming an estimated current interest rate of LIBOR plus a margin, which equals an all-in interest rate of 2.24%.

(2) Calculated based on the difference between our fixed contractual rates and the counterparties' estimated average LIBOR rate of 0.26%, for all periods, for all interest rate contracts outstanding as of December 31, 2010.

G. Safe Harbor

This Annual Report on Form 20-F contains forward-looking statements. See "Information Regarding Forward-Looking Statements; Cautionary Language."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of March 18, 2011. Our board of directors is elected annually and each director holds office until his successor has been duly elected, except in the event of his death, resignation, removal or earlier termination of his office. Our bye-laws provide for, among other things, the election of our board of directors on a staggered basis. The business address of each of our executive officers is c/o Textainer Equipment Management (U.S.) Limited, 650 California Street, 16th Floor, San Francisco, California 94108. The business address for each of our non-management directors is Century House, 16 Par-La-Ville Road, Hamilton HM 08, Bermuda.

In accordance with our bye-laws, our board of directors are elected annually on a staggered basis, with each director holding office until his successor has been duly elected, except in the event of his death, resignation, removal or earlier termination of his office. Neil I. Jowell, Cecil Jowell, David M. Nurek and Hendrik R. van der Merwe are designated Class III directors, to hold office until our 2011 annual general meeting of shareholders, James A. Owens, Isam K. Kabbani and James E. McQueen are designated Class II directors, to hold office until our 2012 annual general meeting of shareholders and John A. Maccarone, Dudley R. Cottingham, Hyman Shwiel and James E. Hoelter are designated Class I directors, to hold office until our 2013 annual general meeting of shareholders. Thereafter, directors in each class will be elected for three-year terms. Directors may be re-elected when their term of office expires.

Trencor, through the Halco Trust and Halco, holds beneficiary interest in approximately 61.2% of our outstanding share capital. See Item 4, "*Information on the Company—Organizational Structure*" for an explanation of the relationship between us and Trencor. As indicated below, six of our directors are also directors of Trencor.

Executive Officers and Directors	Age	Position
Neil I. Jowell(1)(2)(3)(4)	77	Chairman
Dudley R. Cottingham(1)(2)(3)	59	Director
James E. Hoelter(1)(2)(3)(4)	71	Director
Cecil Jowell(4)	75	Director
Isam K. Kabbani	76	Director
John A. Maccarone	66	Director, President and Chief Executive Officer
James E. McQueen(1)(4)	66	Director
David M. Nurek(2)(3)(4)	61	Director
James A. Owens	71	Director
Hyman Shwiel(1)(2)(3)	66	Director
Hendrik R. van der Merwe(4)	63	Director
Philip K. Brewer	53	Executive Vice President
Robert D. Pedersen	51	Executive Vice President
Ernest J. Furtado	55	First Vice President, Senior Vice President, Chief Financial Officer & Secretary

(1) Member of the audit committee. Messrs. Cottingham and Shwiel are voting members and Messrs. Hoelter, Neil Jowell and McQueen are non-voting members.

(2) Member of the compensation committee.

(3) Member of the nominating and governance committee.

(4) Director of Trencor, the indirect beneficiary of a majority of our share interest.

Certain biographical information about each of these individuals is set forth below.

Directors

Neil I. Jowell has served as our director and chairman since December 1993. Mr. N. Jowell also serves on the board of directors of Trencor. He has been a director of Trencor since 1966, and was appointed chairman in 1973. He is also a director of Mobile Industries (see Item 4. " *Information on the Company—Organizational Structure*" for an explanation of the relationship between Trencor and Mobile Industries), and has served on its board of directors since 1969. Mr. N. Jowell has over 50 years experience in the transportation industry. He holds a M.B.A. from Columbia University and Bachelor of Commerce and L.L.B. degrees from the University of Cape Town. Mr. Neil I. Jowell and Mr. Cecil Jowell are brothers.

Dudley R. Cottingham has been a member of our board of directors and previously served as assistant secretary or secretary since December 1993. He has also served in the past as president of certain of our subsidiaries. Mr. Cottingham has over 30 years of experience in public accounting for a variety of international and local clients. He is a director and the audit committee chairman of Bermuda Press (Holdings) Ltd., a newspaper publishing and commercial printing company listed on the Bermuda Stock Exchange and is chairman of the listing committee of the Bermuda Stock Exchange. He has been a partner with Arthur Morris and Company, a provider of audit and accounting services for international clients, since 1982, and has served as vice president and director of Continental Management Ltd., a Bermuda company providing corporate representation, administration and management services, since 1982 and Continental Trust Corporation Ltd., a Bermuda company that provides corporate and individual trust administration services, since 1994. He is a director of Morris, Cottingham & Co. Ltd. and their other group companies in Turks & Caicos Islands. Mr. Cottingham is a chartered accountant.

James E. Hoelter has been a member of our board of directors since December 1993 and was our president and chief executive officer from that time until his retirement in December 1998. Mr. Hoelter is a non-executive member of the board of directors of Trencor and a member of Trencor's audit committee. He is the president of Freightmasters Associates, Inc., a company that provides consulting services for the international freight carrying industry. Mr. Hoelter received a Bachelor of Business Administration degree from the University of Wisconsin and a M.B.A. from the Harvard Business School.

Cecil Jowell has been a member of our board of directors since March 2003. Mr. C. Jowell also serves on the board of Trencor and has been an executive of Trencor for over 40 years. Mr. C. Jowell is also a director and chairman of Mobile Industries (See Item 4. " *Information on the Company —Organizational Structure*" for an explanation of the relationship between Trencor and Mobile Industries), and has served on its board since 1969. He has also served as a director and chairman of WACO International Ltd., an international industrial group previously listed on the JSE. Mr. C. Jowell holds a Bachelor of Commerce and L.L.B. degrees from the University of Cape Town and is a graduate of the Institute of Transport.

Isam K. Kabbani has been a member of our Board of Directors since December 1993. Mr. Kabbani is the Chairman and principal stockholder of the IKK Group, Jeddah, Saudi Arabia, a manufacturing, trading and construction group active both in Saudi Arabia and internationally. In 1959, Mr. Kabbani joined the Saudi Arabian Ministry of Foreign Affairs, and in 1960 moved to Ministry of Petroleum for a period of ten years. During this time, he was seconded to the Organization of Petroleum Exporting Countries ("OPEC"). After a period as Chief Economist of OPEC, in 1967 he became the Saudi Arabian member of OPEC's Board of Governors. In 1970, he left the Ministry of Petroleum to establish his own business starting with National Marketing, a small trading company in specialized building materials. The IKK Group has been for the past decade consistently among the largest 35 Saudi Companies. Mr. Kabbani holds a B.A. from Swarthmore College and a M.A. in Economics and International Relations from Columbia University.

John A. Maccarone has served as our president and chief executive officer since January 1999, and has been a member of our board of directors since December 1993. Mr. Maccarone is a member of the board of directors of the Institute of International Container Lessors, a trade association for the container and chassis leasing industry, and served as its chairman from January 2006 to December 2006. Mr. Maccarone co-founded Intermodal Equipment Associates, a marine container leasing company based in San Francisco, and held a variety of executive positions with the company from 1979 until 1987, when he joined the Textainer Group as president and chief executive officer of Textainer Equipment Management Limited, now a subsidiary of our company. From 1977 through 1978, Mr. Maccarone was director of marketing based in Hong Kong for Trans Ocean Leasing Corporation, a San Francisco-based company. From 1969 to 1976, Mr. Maccarone was a marketing representative for IBM Corporation in Chicago, Illinois. From 1966 to 1968, he served as a Lieutenant in the U.S. Army Corps of Engineers in Thailand and Virginia. Mr. Maccarone holds a B.S. in Engineering Management from Boston University and a M.B.A. from Loyola University of Chicago.

James E. McQueen has been a member of our board of directors since March 2003. Mr. McQueen joined Trencor in June 1976 and has served as financial director of Trencor since April 1984. Mr. McQueen is also a director of a number of Trencor's subsidiaries. Prior to joining Trencor, Mr. McQueen was an accountant in public practice. Mr. McQueen received a Bachelor of Commerce degree and a Certificate in the Theory of Accounting from the University of Cape Town and is a Chartered Accountant (South Africa).

David M. Nurek has been a member of our board of directors since September 2007. Mr. Nurek was appointed as an alternate director of Trencor in November 1992 and as a non-executive member of its board of directors in July 1995 and is chairman of Trencor's remuneration and nomination committees and a member of its audit committee. Mr. Nurek is an executive of Investec Bank Limited, a subsidiary of Investec Limited, which is listed on the JSE. Investec Limited has entered into a dual listed company structure with Investec plc, which is quoted on the London Stock Exchange (collectively, the "Investec Group"). He is the regional chairman of Investec Limited's various businesses in the Western Cape, South Africa, and is also the Investec Group's worldwide head of legal risk. Prior to joining Investec Limited in June 2000, Mr. Nurek served as chairman of the South African legal firm Sonnenberg Hoffman & Galombik, which has since changed its name to Edward Nathan Sonnenbergs Inc. Mr. Nurek serves as a non-executive on the boards of directors of various listed and unlisted companies in South Africa and holds a Diploma in Law and a Graduate Diploma in Company Law from the University of Cape Town, and completed a Program of Instruction for Lawyers at Harvard Law School and a Leadership in Professional Services Firms program at Harvard Business School.

James A. C. Owens has served as a member of our board of directors since May 1998. Mr. Owens has served as an insurance broker and director of Foreign Business Indemnity Ltd. since 1988. He has also served as a senior consultant on international business for the Heath Lambert Group (Lloyd's Brokers) since November 2006. Mr. Owens has been associated with us (or our predecessor companies and affiliates) since 1980, and for a time represented one of our predecessor companies as a director of the Institute of International Container Lessors. He has for many years been, and continues to be, actively involved in insurance brokerage companies and captive insurance companies. He is a member of a number of boards of directors of non-U.S. companies, including Ferrosure (Isle of Man) Insurance Company Limited, a captive insurance subsidiary of a large international public company. Mr. Owens holds a Bachelor of Commerce degree from the University of South Africa.

Hyman Shwiel has been a member of our board of directors since September 2007. Mr. Shwiel was a partner in Ernst & Young LLP for 25 years. He served during that period in various roles, including Area Managing Partner and as National Director of Enterprise and Professional Risk. Upon his retirement in 2005, he became a consultant to Ernst & Young until 2007. Mr. Shwiel holds a C.T.A. and a M.B.A. from the University of Cape Town and is a Chartered Accountant (South Africa) and a CPA.

Hendrik Roux van der Merwe has been a member of our board of directors since March 2003. He is managing director of Trencor and a director of TrenStar, Inc. Mr. van der Merwe joined Trencor in 1997 and

began serving as a director of Trencor in 1998. From 1991 to 1998, Mr. van der Merwe served as deputy chairman for Waco International Ltd., an international industrial group listed on the JSE with subsidiaries listed on the Sydney and London Stock Exchanges. From 1984 to 1991, he held various senior executive positions in the banking sector in South Africa, lastly as chief executive officer of Senbank, the corporate/merchant banking arm of Bankorp Group Ltd. Prior to entering the business world, Mr. van der Merwe practiced as an attorney at law in Johannesburg, South Africa. Mr. van der Merwe holds Bachelor of Arts and L.L.B degrees in Law from the University of Stellenbosch in South Africa, and a Master of Law in Tax Law from the University of the Witwatersrand in South Africa.

Executive Officers

For certain biographical information about John A. Maccarone, see "Directors" above.

Philip K. Brewer has served as our executive vice president since January 2006. He is responsible for managing our capital structure and identifying new sources of finance for our company, as well as overseeing the management and coordinating the activities of our risk management and resale divisions. Mr. Brewer was senior vice president of our asset management group from 1999 to 2005 and senior vice president of our capital markets group from 1996 to 1998. Prior to joining our company in 1996, Mr. Brewer worked at Bankers Trust starting in 1990 as a vice president and ending as a managing director and president of its Indonesian subsidiary. From 1989 to 1990, he was vice president in corporate finance at Jardine Fleming. From 1987 to 1989, he was capital markets advisor to the United States Agency for International Development in Indonesia. From 1984 to 1987, he was an associate with Drexel Burnham Lambert, an investment banking firm. Mr. Brewer holds a B.A. in Economics and Political Science from Colgate University and a M.B.A. in Finance from Columbia University.

Robert D. Pedersen has served as our executive vice president responsible for worldwide sales and marketing related activities and operations since January 2006. Mr. Pedersen was senior vice president of our leasing group from 1999 to 2005. From 1991 to 1999, Mr. Pedersen held several positions within our company, and from 1978 through 1991, he worked in various capacities for Klinge Cool, a manufacturer of refrigerated container cooling units, XTRA, a container lessor, and Maersk Line, a container shipping line. Mr. Pedersen is a graduate of the A.P. Moller Shipping and Transportation Program and the Merkonom Business School in Copenhagen, where he majored in Company Organization.

Ernest J. Furtado has served as our first vice president, senior vice president, chief financial officer and secretary or assistant secretary since 1999. Prior to joining our company in 1991, Mr. Furtado was controller for Itel Instant Space, a container leasing company based in San Francisco, California, and manager of accounting for Itel Containers International Corporation, a container leasing company based in San Francisco, California. Mr. Furtado was also a manager of internal audit for Wells Fargo Bank and worked as a Certified Public Accountant at John F. Forbes & Co. Mr. Furtado is a Certified Public Accountant and holds a B.S. in Business Administration from the University of California at Berkeley and a M.B.A. in Information Systems from Golden Gate University.

Board of Directors

Our board of directors currently consists of eleven members. Our bye-laws provide that our board of directors shall consist of five to twelve directors, as the board of directors may determine from time to time.

Arrangements or Understandings with Major Shareholders, Customers, Suppliers or Others

We have entered into a management agreement with Halco, our majority shareholder, for provision of management services in connection with certain directors acting as representatives of Halco.

B. Compensation

The aggregate direct compensation we paid to our executive officers as a group (four persons) for the year ended December 31, 2010 was approximately $2.6 million, which included approximately $0.8 million in bonuses and approximately $99 in funds set aside or accrued to provide for health and life insurance, retirement, or similar benefits. On November 18, 2010, our executive officers as a group were also granted 40,000 share options, with an exercise price of $28.26 and an expiration date of November 17, 2020, and 40,000 restricted share units through our 2007 Share Incentive Plan. This amount does not include expenses we incurred for other payments, including dues for professional and business associations, business travel and other expenses. We did not pay our officers who also serve as directors any separate compensation for their directorship during 2010, other than reimbursements for travel expenses.

All of our full-time employees, including employees of our direct and indirect subsidiaries and dedicated agents and our executive officers, were eligible to participate in our 2010 Short Term Incentive Plan. Under that plan, all eligible employees received an incentive award based on their respective job classification and our return on assets and earnings per share. In 2010, each of our executive officers received 108% of his target incentive award.

The aggregate direct compensation we paid to our directors who are not officers for their services as directors as a group for the year ended December 31, 2010 was approximately $552. Some directors were also reimbursed for expenses incurred in order to attend board or committee meetings.

2007 Share Incentive Plan

Our board of directors adopted the 2007 Share Incentive Plan on August 9, 2007, and our shareholders approved the 2007 Share Incentive Plan on September 4, 2007. The maximum number of common shares of Textainer Group Holdings Limited that could be granted pursuant to the 2007 Share Incentive Plan was 3,808,371 shares, representing 8% of the number of common shares issued and outstanding 45 days following our initial public offering on October 9, 2007, subject to adjustments for share splits, share dividends or other similar changes in our common shares or our capital structure. On February 23, 2010, the Company's Board of Directors approved an increase in the number of shares available for future issuance by 1,468,500 from 3,808,371 shares to 5,276,871 shares, which was approved by the Company's shareholders at the annual meeting of shareholders on May 19, 2010. The shares to be issued pursuant to awards under the 2007 Share Incentive Plan may be authorized, but unissued, or reacquired common shares.

The 2007 Share Incentive Plan provides for the grant of share options, restricted shares, restricted share units, share appreciation rights and dividend equivalent rights, collectively referred to as "awards." Share options granted under the 2007 Share Incentive Plan may be either incentive share options under the provisions of Section 422 of the Code, or non-qualified share options. We may grant incentive share options only to our employees or employees of any parent or subsidiary of Textainer Group Holdings Limited. Awards other than incentive share options may be granted to our employees, directors and consultants or the employees, directors and consultants of any parent or subsidiary of Textainer Group Holdings Limited.

Our board of directors or a committee designated by our board of directors, referred to as the "plan administrator," will administer the 2007 Share Incentive Plan, including selecting the award recipients, determining the number of shares to be subject to each award, determining the exercise or purchase price of each award and determining the vesting and exercise periods of each award. Awards under the plan may vest upon the passage of time or upon the attainment of certain performance criteria. The performance criteria established by the plan administrator may be based on any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share.

The exercise price of all share options granted under the 2007 Share Incentive Plan will be at least equal to 100% of the fair market value of our common shares on the date of grant. If, however, incentive share options are granted to an employee who owns shares possessing more than 10% of the voting power of all classes of our common shares or the shares of any parent or subsidiary, the exercise price of any incentive share option granted must equal at least 110% of the fair market value on the grant date and the maximum term of these incentive share options must not exceed five years. The maximum term of all other awards under the 2007 Share Incentive Plan will be ten years. The base appreciation amount of any share appreciation right and the exercise price or purchase price, if any, of any awards intended to be performance-based compensation (within the meaning of Section 162(m) of the Code) will be at least equal to 100% of the fair market value of our common shares on the date of grant. The plan administrator will determine the term and exercise or purchase price of any other awards granted under the 2007 Share Incentive Plan.

Under the 2007 Share Incentive Plan, incentive share options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the participant only by the participant. Other awards shall be transferable by will or by the laws of descent or distribution and to the extent provided in the award agreement. The 2007 Share Incentive Plan permits the designation of beneficiaries by holders of awards, including incentive share options.

In the event a participant in the 2007 Share Incentive Plan terminates employment or is terminated by us (or by our parent or subsidiary) without cause, any options which have become exercisable prior to the time of termination will remain exercisable for three months from the date of termination (unless a shorter or longer period of time is determined by the plan administrator). In the event a participant in the 2007 Share Incentive Plan is terminated by us (or by our parent or subsidiary) for cause, any options which have become exercisable prior to the time of termination will immediately terminate. If termination was caused by death or disability, any options which have become exercisable prior to the time of termination, will remain exercisable for twelve months from the date of termination (unless a shorter or longer period of time is determined by the plan administrator). Unless an individual award agreement otherwise provides, all vesting of all other awards will generally terminate upon the date of termination.

Following the date that the exemption from application of Section 162(m) of the Code ceases to apply, the maximum number of common shares with respect to which options and share appreciation rights may be granted to a participant in any calendar year will be two million common shares. In connection with a participant's commencement of service with us, a participant may be granted options and share appreciation rights for up to an additional two million common shares that will not count against the foregoing limitation. In addition and also following the date that the exemption from application of Section 162(m) of the Code ceases to apply, for awards of restricted shares and restricted share units that are intended to be "performance-based compensation" (within the meaning of Section 162(m)), the maximum number of common shares with respect to which such awards may be granted to a participant in any calendar year will be two million common shares.

Subject to any required action by our shareholders, the number of common shares covered by outstanding awards, the number of common shares that have been authorized for issuance under the 2007 Share Incentive Plan, the exercise or purchase price of each outstanding award, the maximum number of common shares that may be granted subject to awards to a participant in any calendar year, and the like, shall be proportionally adjusted by the plan administrator in the event of any increase or decrease in the number of issued common shares resulting from certain changes in our capital structure as described in the 2007 Share Incentive Plan.

In the event of a corporate transaction or a change in control of Textainer Group Holdings Limited, all outstanding awards under the 2007 Share Incentive Plan will terminate unless the acquirer assumes or replaces such awards. In addition and except as otherwise provided in an individual award agreement, assumed or replaced awards will automatically become fully vested if a participant is terminated by the acquirer without cause within twelve months after a corporate transaction. In the event of a corporate transaction where the

acquirer does not assume or replace awards granted under the 2007 Share Incentive Plan, all of these awards become fully vested immediately prior to the consummation of the corporate transaction. In the event of a change in control and except as otherwise provided in an individual award agreement, outstanding awards will automatically become fully vested if a participant is terminated by the acquirer without cause within twelve months after such change in control.

Under the 2007 Share Incentive Plan, a "corporate transaction" is generally defined as:

- acquisition of 50% or more of the common shares by any individual or entity including by tender offer;
- a reverse merger or amalgamation in which 40% or more of the common shares by an individual or entity is acquired;
- a sale, transfer or other disposition of all or substantially all of the assets of Textainer Group Holdings Limited;
- a merger, amalgamation or consolidation in which Textainer Group Holdings Limited is not the surviving entity; or
- a complete liquidation or dissolution.

Under the 2007 Share Incentive Plan, a "change in control" is generally defined as:

- acquisition of 50% or more of the common shares by any individual or entity which a majority of our board of directors (who have served on the board for at least 12 months) do not recommend that our shareholders accept, or
- a change in the composition of the board of directors as a result of contested elections over a period of 12 months or less.

Unless terminated sooner, the 2007 Share Incentive Plan will automatically terminate in 2017. The board of directors will have authority to amend or terminate the 2007 Share Incentive Plan. To the extent necessary to comply with applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to awards granted to residents therein, we will obtain shareholder approval of any such amendment to the 2007 Share Incentive Plan in such a manner and to such a degree as required.

2008 Bonus Plan

On September 21, 2007, our board of directors approved the Textainer Group Holdings Limited 2008 Bonus Plan (the "Bonus Plan"). The Bonus Plan provides for incentive payments to our employees and those of our affiliates, including our dedicated agents and key executives who may be affected by Section 162(m) of the Internal Revenue Code of 1986, as amended ("Code"). Although the Bonus Plan permits the awards to be paid in shares, we expect that the awards will be cash-based. The Bonus Plan is designed to provide incentive awards based on the achievement of goals relating to our performance and the performance of our individual business units, and to qualify certain components of compensation paid to certain of our key executives for the tax deductibility exception under Code Section 162(m) while maintaining a degree of flexibility in the amount of incentive compensation paid to such individuals. Under the Bonus Plan, performance goals may relate to one or more of the following measures, for the company as a whole, a line of business, service or product: increase in share price, earnings per share, total shareholder return, operating margin, gross margin, return on equity, return on assets, return on investment, operating income, net operating income, pre-tax income, cash flow, revenue, expenses, earnings before interest, taxes and depreciation, economic value added, market share, corporate overhead costs, liquidity management, net interest income, net interest income margin, return on capital invested, shareholders' equity, income before income tax expense, residual earnings after reduction for certain compensation expenses, net income, profitability of an identifiable business unit or product, or performance relative to a peer group of companies on any of the foregoing measures. The Bonus Plan replaced our 2007 Short Term Incentive Plan for the fiscal year beginning in 2008.

Code Section 162(m) generally disallows a Federal income tax deduction to any publicly held corporation for non-performance based compensation paid in excess of $1,000,000 in any taxable year to the chief executive officer or any of the four other most highly compensated executive officers employed on the last day of the taxable year. We intend to structure awards under the Bonus Plan so that compensation resulting from awards would be qualified "performance based compensation" eligible for continued deductibility. The Bonus Plan will be administered by a committee to be appointed by our board of directors, which will select the employees who will be eligible to receive awards, the target pay-out level and the performance targets. The maximum performance award payable to any individual for any performance period is $2,000,000. Each performance period will be a period of three years or less, as determined by the committee. The committee may establish programs under the Bonus Plan permitting select participants to defer receipt of awards.

Employment and Consulting Agreements with Executive Officers and Directors

We have entered into employment agreements with most of our executive officers. Each of these employment agreements contains provisions requiring us to make certain severance payments in case the executive officer is terminated without cause. The agreements terminate upon termination of employment. Employment is at-will for each of our executive officers and they may be terminated at any time for any reason. In addition, in the past we have entered into consulting arrangements with Mr. Hoelter, one of our directors.

Other than as disclosed above, none of our directors has service contracts with us or any of our subsidiaries providing for benefits upon termination of employment.

Indemnification Agreements

We have entered into separate indemnification agreements with our directors and senior management to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of their status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

C. Board Practices

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of Bermuda. Therefore, we are exempt from many of the New York Stock Exchange's ("NYSE") corporate governance practices, other than the establishment of a formal audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act and notification of non-compliance with NYSE listing requirements. The practices that we follow in lieu of the NYSE's corporate governance rules are described below.

- We do not, and are not required under Bermuda law to, maintain a board of directors with a majority of independent directors. Currently, a majority of our directors are not independent, as that term is defined by the NYSE.
- We are not required by Bermuda law to hold regular meetings of the board of directors at which only independent directors are present.
- Under Bermuda law, compensation of executive officers does not need to be determined by an independent committee. We have established a compensation committee that reviews and approves the compensation and benefits for our executive officers and other key executives, makes recommendations to the board regarding compensation matters and is responsible for awarding compensation to our executive officers and other employees under our share compensation plans. The committee also has the discretion to interpret and amend the terms of, and take all other actions necessary to administer, the

2007 Share Incentive Plan. However, our compensation committee is not comprised solely of independent directors. The members of our compensation committee are Messrs. Cottingham, Hoelter, Neil Jowell, Nurek and Shwiel. Messrs. Neil Jowell, Hoelter and Nurek are directors of Trencor.

- In accordance with NYSE rules, we have formed an audit committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. Our audit committee need not have three members and the members need not comply with the NYSE's standards of independence for domestic issuers. Our audit committee has five members, Messrs. Shwiel, Cottingham, Neil Jowell, McQueen and Hoelter. Messrs. Shwiel and Cottingham are voting members of the committee and are independent as that term is defined in Rule 10A-3 under the Exchange Act. The other three members are representatives of Trencor and have no voting rights.
- We have established a nominating and governance committee, although this committee is not comprised solely of independent directors, as would be required of a domestic issuer. Our board of directors has adopted a nominating and governance committee charter.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. However, we sought and received the approval of our shareholders for our 2007 Share Incentive Plan on September 4, 2007. Under Bermuda law, consent of the Bermuda Monetary Authority is required for the issuance of securities in certain circumstances.
- Under Bermuda law, we are not required to adopt corporate governance guidelines or a code of business conduct. However, we have adopted both corporate governance guidelines and a code of business conduct.

D. Employees

As of December 31, 2010, we employed 160 people. We believe that our relations with our employees are good, and we are not a party to any collective bargaining agreements.

E. Share Ownership

See Item 7, "*Major Shareholders and Related Party Transactions*" for information regarding director and senior management ownership of our common shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table presents information regarding the beneficial ownership of our common shares as of March 9, 2011:

- each person or entity that we know beneficially owns more than 5% of our issued and outstanding shares;
- each director, director nominee and executive officer; and
- all of our directors, director nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. The percentage of beneficial ownership of our common shares owned is based on 48,683,244 common shares issued and outstanding on March 9, 2011. We do not believe that we are directly or indirectly owned or controlled by any foreign government. The voting rights of our common shares held by major shareholders are the same as the voting rights of shares held by all other shareholders. We are unaware of any arrangement that might result in a change of control.

	Number of Common Shares Beneficially Owned	
Holders	Shares(1)	%(2)
5% or More Shareholders		
Halco Holdings Inc. (3)	29,778,802	61.2%
Trencor Limited (3)	29,778,802	61.2%
Executive Officers and Directors		
Dudley R. Cottingham (4)	3,694	*
James E. Hoelter (5)	30,852,642	63.4%
Cecil Jowell (6)	30,376,452	62.5%
Neil I. Jowell (7)	30,439,433	62.6%
Isam K. Kabbani (8)	1,955,533	4.0%
John A. Maccarone (9)	2,148,003	4.4%
James E. McQueen (10)	29,779,496	61.2%
David M. Nurek (11)	29,779,496	61.2%
James A. C. Owens (4)	694	*
Hyman Shwiel (4)	694	*
Hendrik R. van der Merwe (12)	29,779,496	61.2%
Ernest J. Furtado (13)	217,879	*
Philip K. Brewer (14)	422,416	*
Robert D. Pederson (15)	217,210	*
Current directors and executive officers (14 persons) as a group	37,079,128	76.2%

* Less than 1%.

(1) Beneficial ownership by a person assumes the exercise of all share options, warrants and rights held by such person.

(2) Percentage ownership is based on 48,683,244 shares outstanding as of March 9, 2011.

(3) Includes 29,778,802 shares held by Halco Holdings Inc. (“Halco”). Halco is wholly owned by Halco Trust, a discretionary trust with a independent trustee. Trencor and certain of Trencor’s subsidiaries are the sole discretionary beneficiaries of Halco Trust. The protectors of the trust are Mr. Neil Jowell, the chairman of both our board of directors and the board of directors of Trencor, Mr. Cecil Jowell, Mr. McQueen and Mr. Nurek, all members of our board of directors and the board of directors of Trencor and Mr. Edwin Oblowitz, a member of the board of directors of Trencor.

(4) Includes 694 restricted share units granted on January 3, 2011 under the 2007 Share Incentive Plan (the “2007 Plan”).

(5) Includes 29,778,802 shares held by Halco, 101,244 shares held by the James E. Hoelter & Virginia S. Hoelter Trust, 552,656 shares held by the JEH-VSH Limited Partnership #1, and 419,246 shares held by the JEH-VSH Limited Partnership #2. The general partners of each of the partnerships are James and Virginia Hoelter. Mr. Hoelter is one of our directors and a member of the board of directors of Trencor. Mr. Hoelter disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(6) Includes 29,778,802 shares held by Halco and 596,956 shares held by EA Finance, a company owned by a trust in which members of Mr. Cecil Jowell's family are discretionary beneficiaries. Mr. Cecil Jowell is one of our directors, a director of Halco, a protector of the Halco Trust and a member of the board of directors of Trencor. In addition, Mr. Cecil Jowell has a significant ownership interest in Trencor both directly and indirectly, including indirectly through interests in Mobile Industries, which owned approximately 46% of Trencor as of December 31, 2010 (See Item 4. " *Information on the Company—Organizational Structure*" for an explanation of the relationship between Trencor and Mobile Industries). Mr. Cecil Jowell is also the chairman of Mobile Industries. Mr. Cecil Jowell disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by EA Finance and Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(7) Includes 29,778,802 shares held by Halco and 596,956 shares held by EA Finance, a company owned by a trust in which members of Mr. Neil Jowell's family are discretionary beneficiaries. Mr. Neil Jowell is one of our directors, a protector of the Halco Trust and a member of the board of directors of Trencor. In addition, Mr. Neil Jowell has a significant ownership interest in Trencor both directly and indirectly, including indirectly through interests in Mobile Industries, which owned approximately 46% of Trencor as of December 31, 2010 (See Item 4. " *Information on the Company—Organizational Structure*" for an explanation of the relationship between Trencor and Mobile Industries). Mr. Neil Jowell is also a director of Mobile Industries. Mr. Neil Jowell disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by EA Finance and Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(8) Includes 1,954,839 shares are held by IKK Foundation, an affiliate of Mr. Kabbani. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(9) Includes 1,697,916 shares held by the Maccarone Family Partnership L.P., 67,000 shares held by the Maccarone Revocable Trust, 1,100 shares held by the Maccarone Charitable Trust, 1,000 shares held by the John Maccarone IRA Rollover and 350 shares held by the Bryan Maccarone UTMA. Also includes 130,880 restricted share units and 136,760 share options granted on October 9, 2007, 22,750 restricted share units and 24,375 share options granted on November 19, 2008 and 26,532 share restricted shares and 31,215 share options granted on November 18, 2009 under the 2007 Plan. Share options were awarded at an exercise price equal to the fair market value of our common shares on the grant date of $16.50, $7.10 and $16.97 per share on October 9, 2007, November 19, 2008 and November 18, 2009, respectively. Options awarded on October 9, 2007, November 19, 2008 and November 18, 2009 expire on October 8, 2017, November 18, 2018 and November 17, 2019, respectively.

(10) Includes 29,778,802 shares are held by Halco. Mr. McQueen is one of our directors, a director of Halco, a protector of the Halco Trust and a member of the board of directors of Trencor. Mr. McQueen disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(11) Includes 29,778,802 shares are held by Halco. Mr. Nurek is one of our directors, a protector of the Halco Trust and a member of the board of directors of Trencor. Mr. Nurek disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(12) Includes 29,778,802 shares are held by Halco. Mr. van der Merwe is one of our directors and a member of the board of directors of Trencor. Mr. van der Merwe disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco. Also includes 694 restricted share units granted on January 3, 2011 under the 2007 Plan.

(13) Includes 100,000 shares held by Ernest James Furtado and Barbara Ann Pelletreau, Trustees of the Furtado-Pelletreau 2003 Revocable Living Trust UDT dated November 28, 2003, 200 shares held by Ernest James Furtado as custodian for David Furtado UGMA, and 100 shares held by Ernest James Furtado as custodian for Michelle Pelletreau UGMA. Includes 35,000 restricted share units and 17,500 share options granted on

October 9, 2007, 12,250 restricted share units and 8,750 share options granted on November 19, 2008, 12,792 restricted share units and 11,287 share options granted on November 18, 2009 and 10,000 restricted share units and 10,000 share options granted on November 18, 2010 under the 2007 Plan. Share options were awarded at exercise prices equal to the fair market value of our common shares on the grant dates of $16.50, $7.10, $16.97 and $28.26 per share on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010, respectively. Options awarded on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010 expire on October 8, 2017, November 18, 2018, November 17, 2019 and November 17, 2020, respectively.

(14) Includes 52,500 restricted share units and 105,000 share options granted on October 9, 2007, 18,200 restricted share units and 19,500 share options granted on November 19, 2008, 18,997 restricted share units and 22,350 share options granted on November 18, 2009 and 15,000 restricted share units and 15,000 share options granted on November 18, 2010 under the 2007 Plan. Share options were awarded at exercise prices equal to the fair market value of our common shares on the grant date of $16.50, $7.10, $16.97 and $28.26 per share on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010, respectively. Options awarded on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010 expire on October 8, 2017, November 18, 2018, November 17, 2019 and November 17, 2020, respectively.

(15) Includes 52,500 restricted share units and 52,500 share options granted on October 9, 2007, 18,200 restricted share units and 19,500 share options granted on November 19, 2008, 18,997 restricted share units and 22,350 share options granted on November 18, 2009 and 15,000 restricted share units and 15,000 share options granted on November 18, 2010 under the 2007 Plan. Share options were awarded at exercise prices equal to the fair market value of our common shares on the grant date of $16.50, $7.10, $16.97 and $28.26 per share on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010, respectively. Options awarded on October 9, 2007, November 19, 2008, November 18, 2009 and November 18, 2010 expire on October 8, 2017, November 18, 2018, November 17, 2019 and November 17, 2020, respectively.

As of March 9, 2011, based on information available to the Company, 3,000 of our common shares issued and outstanding were held by one record holder in our domicile and host country (Bermuda).

B. Related Party Transactions

We do not have a corporate policy regarding related party transactions, nor are there any provisions in our memorandum of association or bye-laws regarding related party transactions, other than the provision, as permitted by Bermuda law, that we, or one of our subsidiaries, may enter into a contract in which our directors or officers are directly or indirectly interested if the director or officer discloses his interest to our board of directors at the first opportunity at a meeting of directors or in writing.

Loans to Executive Officers

As permitted by Bermuda law, in the past, we have extended loans to our employees in connection with their acquisition of our common shares in accordance with our various employees' share schemes. As of December 31, 2010 and December 31, 2009, no amounts were outstanding on such loans to employees. Currently, there are no loans outstanding to our directors or executive officers, and we will not extend loans to our directors or executive officers in the future, in compliance with the requirements of Section 402 of the Sarbanes-Oxley Act of 2002 and Section 13(k) of the Securities Exchange Act of 1934, as amended.

Indemnification of Officers and Directors

We have entered into indemnification agreements with each of our directors and executive officers to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the

scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of their status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

Agreements with IKK Group

Textainer Equipment Management Limited has entered into a management agreement with IKK Foundation, related to Textainer Equipment Management Limited's management of containers owned by IKK Foundation. Director Isam Kabbani is the beneficial owner of IKK Foundation. In 2010, 2009 and 2008, we managed approximately 9,000 TEU (for which we received approximately $173 in management fees), 9,800 TEU (for which we received approximately $146 in management fees) and 9,800 TEU (for which we received approximately $183 in management fees), respectively, for IKK Foundation.

Relationships and Agreements with Entities Related to Trencor Limited

Halco is wholly owned by Halco Trust, a discretionary trust with an independent trustee. Trencor and certain of Trencor's subsidiaries are the sole discretionary beneficiaries of Halco Trust. The protectors of the trust include Neil I. Jowell, Cecil Jowell, David Nurek and James McQueen, all of whom are members of our board of directors and the board of directors of Trencor. In addition, two of our directors, Cecil Jowell and James McQueen, are also members of the board of directors of Halco.

We have entered into an agreement with LAPCO, an associate of Halco, related to our management of containers owned by LAPCO. Pursuant to this agreement, LAPCO has the right, but not an obligation, to require us to purchase containers on its behalf, within guidelines specified in the agreement and for as long as the management agreement is in place. In 2010, 2009 and 2008, we received the following fees or commissions from LAPCO: (i) $3,274, $3,095 and $4,027, respectively, in management fees, (ii) $1,383, $1,474 and $1,471, respectively, in sales commissions and (iii) $180, $87 and $452, respectively, in acquisition fees. In 2010, 2009 and 2008, fees received under the LAPCO agreement accounted for 6.8%, 7.9% and 6.5%, respectively, of total combined container management and container resale segment revenue and 1.6%, 2.0% and 2.1%, respectively, of total revenue. LAPCO is free to compete against us with respect to its investment in containers and uses our competitors to manage some of its containers.

Halco acquired 2,100,000 common shares in the Company's initial public offering at the initial public offering price. The underwriters did not receive any discount or commission on these shares. The common shares that were purchased by Halco in the offering are not freely tradable in the public market due to Halco's status as our "affiliate," as such term is defined in Rule 144 under the Securities Act. See Item 14. " *Material Modifications to the Rights of Security Holders and Use of Proceeds*" for further details on these trading restrictions.

Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

Our audited consolidated financial statements which are comprised of our consolidated balance sheets as of December 31, 2010 and 2009 and the related consolidated statements of income, shareholders' equity and

comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2010 and the notes to those statements and the report of independent registered public accounting firm thereon, are included under Item 18, " *Financial Statements*" of this Annual Report on Form 20-F. Also, see Item 5, "*Operating and Financial Review and Prospects*" for additional financial information.

Legal Proceedings

See Item 4, "*Information on the Company—Business Overview—Legal Proceedings* " for information on our legal proceedings which may have, or have had in the recent past, significant effects on our financial position or profitability.

Dividend Policy

The following table summarizes dividends that we have declared and paid since January 1, 2008:

Date Declared	Dividend per Outstanding Common Share	Total Dividend
February 2008	$ 0.21	$ 9,997
May 2008	$ 0.22	$ 10,473
August 2008	$ 0.23	$ 10,949
November 2008	$ 0.23	$ 10,949
February 2009	$ 0.23	$ 10,985
May 2009	$ 0.23	$ 10,985
August 2009	$ 0.23	$ 10,985
November 2009	$ 0.23	$ 10,985
February 2010	$ 0.23	$ 11,035
May 2010	$ 0.24	$ 11,533
August 2010	$ 0.25	$ 12,038
November 2010	$ 0.27	$ 13,025
February 2011	$ 0.29	$ 14,115

Our board of directors has adopted a dividend policy which reflects its judgment that our shareholders would be better served if we distributed to them, as quarterly dividends payable at the discretion of our board of directors, a portion of the cash generated by our business in excess of our expected cash needs, including cash needs for potential acquisitions or other growth opportunities, rather than retaining such excess cash or using such cash for other purposes. On an annual basis we expect to pay dividends with cash flow from operations, but due to seasonal or other temporary fluctuations in cash flow, we may from time to time use temporary short-term borrowings to pay quarterly dividends.

We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. The timing and amount of future dividends will be at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year. See Item 3, "*Key Information—Risk Factors,* " for a discussion of these factors. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends.

In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) our revolving credit facility, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as (i) a minimum tangible net worth level (which level would decrease by the amount of any dividend paid), (ii) a maximum ratio of consolidated funded debt to

consolidated tangible net worth (which amount would decrease by the amount of any dividend paid) and (iii) a minimum ratio of certain income (which amount would decrease by the amount of any dividend paid) to current obligations. Please see Item 5, " *Operating and Financial Review and Prospects —Liquidity and Capital Resources*" for a description of these covenants. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

B. Significant Changes

Except as disclosed in the Annual Report on Form 20-F, no significant changes have occurred since December 31, 2010, which is the date of our audited consolidated financial statements included in this Annual Report on Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Trading Markets and Price History

Our common shares have been listed on the New York Stock Exchange ("NYSE") under the symbol "TGH" since October 10, 2007. Prior to that time, there was no public market for our common shares. The following table sets forth the high and low closing sale prices, as reported on the NYSE for our common shares for the periods indicated:

	High	Low
Annual Highs and Lows:		
Fiscal 2010	$ 31.35	$ 14.72
Fiscal 2009	$ 17.25	$ 4.30
Fiscal 2008	$ 22.35	$ 6.36
Fiscal 2007	$ 17.00	$ 13.42
Quarterly Highs and Lows (two most recent full financial years):		
Fourth quarter 2010	$ 31.35	$ 24.06
Third quarter 2010	$ 29.12	$ 23.44
Second quarter 2010	$ 27.05	$ 20.24
First quarter 2010	$ 22.76	$ 14.72
Fourth quarter 2009	$ 17.25	$ 14.75
Third quarter 2009	$ 16.09	$ 10.31
Second quarter 2009	$ 12.81	$ 6.50
First quarter 2009	$ 10.45	$ 4.30
Monthly Highs and Lows (over the most recent six month period):		
February 2011	$ 35.54	$ 31.21
January 2011	$ 31.95	$ 28.81
December 2010	$ 31.35	$ 28.21
November 2010	$ 28.66	$ 25.76
October 2010	$ 27.32	$ 24.06
September 2010	$ 28.21	$ 26.06

Transfer Agent

A register of holders of our common shares is maintained by Continental Management Limited in Bermuda and a branch register is maintained in the United States by Computershare Limited. The transfer agent and branch registrar for our common shares is Computershare Shareholder Services, Inc. and its fully owned subsidiary Computershare Trust Company, N.A., having its principal office at 250 Royall Street, Canton, MA 02021.

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9, "*Offer and Listing Details—Trading Markets*" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC18896. We were incorporated on December 3, 1993 under the name Textainer Group Holdings Limited. Our registered office is located at 16 Par-La-Ville Road, Hamilton HM 08 Bermuda.

We incorporate by reference into this Annual Report on Form 20-F the description of our memorandum of association and our bye-laws contained in "Description of Share Capital" of our Registration Statement on Form F-1 filed with the SEC on September 26, 2007. Such information is a summary which does not purport to be complete and is qualified in its entirety by reference to our memorandum of association and our bye-laws, copies of which have been filed as Exhibits 3.1 and 3.2, respectively, to such Registration Statement.

C. Material Contracts

We have not entered into any material contracts during the two years immediately preceding the date of this Annual Report on Form 20-F other than contracts entered into in the ordinary course of business and other than those described in Item 4, " *Information on the Company—History and Development of the Company—Significant Events*" or elsewhere in this Annual Report on Form 20-F.

D. Exchange Controls

Trencor, a South African company listed on the JSE, has beneficiary interest in a majority of our share capital. Trencor currently has an indirect beneficiary interest in 61.2% of our issued and outstanding shares. South Africa's exchange control regulations provide for restrictions on exporting capital from South Africa. These restrictions require Trencor to obtain approval from South African exchange control authorities before engaging in transactions that would result in dilution of their share interest in us below certain thresholds,

whether through their sale of their own shareholdings or through the approval of our issuance of new shares. The exchange control authorities may decide not to grant such approval if a proposed transaction were to dilute Trencor's beneficiary interest in us below certain levels. While the South African government has, to some extent, relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the future. The above requirements could restrict or limit our ability to issue new shares. In addition, Trencor is required to comply with JSE Listings Requirements in connection with its holding or sale of our common shares.

E. Taxation

The following discussion is a summary of the material Bermuda and U.S. federal income tax consequences of an investment in our common shares. This discussion is not exhaustive of all possible tax considerations. In particular, this discussion does not address the tax consequences under state, local, and other national (e.g., non-Bermuda and non-U.S.) tax laws. Accordingly, we urge you to consult your own tax advisor regarding your particular tax circumstances and the tax consequences under state, local, and other national tax laws. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect.

Bermuda Tax Consequences

The following is a summary of the material Bermuda tax consequences of an investment in our common shares. The following discussion is not exhaustive of all possible tax considerations. We urge you to consult your own tax advisor regarding your particular tax circumstances.

Taxation of the Companies

We and our Bermuda subsidiaries have obtained an assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act 1966 that, if any legislation is enacted in Bermuda imposing any tax computed on profits on income, or computed on any capital asset, gain, or appreciation, or any tax in the nature of estate duty or inheritance tax, then such tax will not until March 28, 2016 be applicable to us or any of our operations, or to any of our shares, debentures, or other obligations, except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda. Given the limited duration of the Minister of Finance's assurance, we cannot be certain that we will not be subject to any Bermuda tax after March 28, 2016. However, given recently enacted legislation, we intend to apply for an extension of this assurance through 2035. As an exempted company, we are required to pay to the Bermuda government an annual fee presently not to exceed $32, based on our assessable capital.

Taxation of Holders

Currently, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by our shareholders in respect of our common shares. The issue, transfer, or redemption of our common shares is not currently subject to stamp duty.

United States Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of an investment in our common shares. The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the Code, regulations promulgated under the Code by the U.S. Treasury Department (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described below.

This summary does not address all aspects of the U.S. federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as: banks; financial institutions; insurance companies; dealers in stocks, securities, or currencies; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; tax-exempt organizations; real estate investment trusts; regulated investment companies; qualified retirement plans, individual retirement accounts, and other tax-deferred accounts; expatriates of the U.S.; persons subject to the alternative minimum tax; persons holding common shares as part of a straddle, hedge, conversion transaction, or other integrated transaction; persons who acquired common shares pursuant to the exercise of any employee share option or otherwise as compensation for services; persons actually or constructively holding 10% or more of our voting shares; and U.S. Holders (as defined below) whose functional currency is other than the U.S. dollar.

This discussion is not a comprehensive description of all of the U.S. federal tax consequences that may be relevant with respect to an investment in common shares. We urge you to consult your own tax advisor regarding your particular circumstances and the U.S. federal income and estate tax consequences to you of owning and disposing of common shares, as well as any tax consequences arising under the laws of any state, local, or foreign or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws.

This summary is directed solely to persons who hold their common shares as capital assets within the meaning of Section 1221 of the Code, which includes property held for investment. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of common shares that is any of the following:

- a citizen or resident of the U.S. or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source;
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
- a trust in existence on August 20, 1996 that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The term "Non-U.S. Holder" means a beneficial owner of common shares that is not a U.S. Holder. As described in "—Taxation of Non-U.S. Holders" below, the tax consequences to a Non-U.S. Holder may differ substantially from the tax consequences to a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of common shares, the U.S. federal income tax consequences to a partner in the partnership will depend on the status of the partner and the activities of the partnership. A holder of common shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of an investment in common shares.

Taxation of the Companies

Textainer and Non-U.S. Subsidiaries

A non-U.S. corporation deemed to be engaged in a trade or business within the U.S. is subject to U.S. federal income tax on income which is treated as effectively connected with the conduct of that trade or business. Such income tax, if imposed, is based on effectively connected income computed in a manner similar to the manner in which the income of a domestic corporation is computed, except that a foreign corporation will be entitled to deductions and credits for a taxable year only if it timely files a U.S. federal income tax return for that

year. In addition, a non-U.S. corporation may be subject to the U.S. federal branch profits tax on the portion of its effectively connected earnings and profits, with certain adjustments, deemed repatriated out of the U.S. Currently, the maximum U.S. federal income tax rates are 35% for a corporation's effectively connected income and 30% for the branch profits tax.

A portion of our income is treated as effectively connected with the conduct of a trade or business within the U.S., and such effectively connected income is subject to U.S. federal income tax. U.S. federal income tax returns have been filed declaring such effectively connected income.

The determination of whether a person is engaged in a U.S. trade or business is based on a highly factual analysis. In general, there is no clear test as to the nature and scope of activities that constitute being engaged in a U.S. trade or business, and it is unclear how a court would construe the existing authorities with respect to our activities. Accordingly, it is possible that the IRS could assert that a significantly greater portion of our income than we currently report is derived from the conduct of a U.S. trade or business and therefore, is effectively connected income that is subject to U.S. federal income tax.

In addition to U.S. federal income tax on income associated with a U.S. trade or business, we are also subject to a 30% U.S. withholding tax imposed on the gross amount of certain "fixed or determinable annual or periodic gains, profits and income" derived from sources within the U.S. (such as rents, dividends and interest on investments), to the extent such amounts are not effectively connected income. This 30% U.S. withholding tax is subject to reduction by applicable treaties. Distributions by our U.S. subsidiaries to us are expected to be subject to this 30% U.S. withholding tax.

U.S. Subsidiaries

Our U.S. subsidiaries are subject to U.S. federal income tax at regular corporate rates on their worldwide income, regardless of its source, subject to reduction by allowable foreign tax credits.

Transfer Pricing

Under U.S. federal income tax laws, transactions among taxpayers that are owned or controlled directly or indirectly by the same interests generally must be at arm's-length terms. We consider the transactions among our subsidiaries and us to be at arm's-length terms. However, the IRS may distribute, apportion, or allocate gross income, deductions, credits, or allowances between or among such taxpayers if it determines that such transactions are not at arm's-length terms and that such distribution, apportionment, or allocation is necessary in order to clearly reflect the income of any of such taxpayers. In such a situation, we may incur increased tax liability, possibly materially, thereby reducing our profitability and cash flows.

In May of 2009, we received notification from the IRS that the 2007 and 2008 U.S. tax returns for our U.S. subsidiary, Textainer Equipment Management U.S. Limited, had been selected for examination. In May 2010, we received notification from the IRS that they had completed their examination, making changes to the 2007 and 2008 taxable income of our U.S. subsidiary with respect to our transfer pricing which did not significantly alter our income tax for these years.

Taxation of U.S. Holders

The discussion in "—Distributions on Common Shares" and "—Dispositions of Common Shares" below assumes that we will not be treated as a PFIC for U.S. federal income tax purposes. For a discussion of the rules that apply if we are treated as a PFIC, see the discussion in "—Passive Foreign Investment Company" below.

Distributions on Common Shares

General. Subject to the discussion in "—Passive Foreign Investment Company" below, if you actually or constructively receive a distribution on common shares, you must include the distribution in gross income as a taxable dividend on the date of your receipt of the distribution, but only to the extent of our current or accumulated earnings and profits, as calculated under U.S. federal income tax principles. Such amount must be included without reduction for any foreign taxes withheld. Dividends paid by us are not expected to be eligible for the dividends received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by us may or may not be eligible for preferential rates applicable to qualified dividend income, as described below.

To the extent a distribution exceeds our current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of your adjusted tax basis in the common shares, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to non-corporate U.S. Holders.

We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, you should expect that a distribution will be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Qualified Dividend Income. With respect to non-corporate U.S. Holders (i.e., individuals, trusts, and estates), for taxable years beginning before January 1, 2013, dividends that are treated as qualified dividend income ("QDI") are taxable at a maximum tax rate of 15%. Among other requirements, dividends will be treated as QDI if either (i) our common shares are readily tradable on an established securities market in the U.S., or (ii) we are eligible for the benefits of a comprehensive income tax treaty with the U.S. which includes an information exchange program and which is determined to be satisfactory by the Secretary of the U.S. Treasury. The income tax treaty between the U.S. and Bermuda (the jurisdiction of our incorporation) does not qualify for these purposes. However, it is expected that our common shares are "readily tradable" as a result of being listed on the NYSE, although there can be no assurance that our common shares are "readily tradable" or will continue to be "readily tradable" in the future.

In addition, for dividends to be treated as QDI, we must not be a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year. We do not believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year. However, we could be treated as a PFIC. Please see the discussion under "—Passive Foreign Investment Company" below. Additionally, in order to qualify for QDI treatment, you generally must have held the common shares for more than 60 days during the 121-day period beginning 60 days prior to the ex-dividend date. However, your holding period will be reduced for any period during which the risk of loss is diminished.

Since the QDI rules are complex, you should consult your own tax advisor regarding the availability of the preferential tax rates for dividends paid on common shares.

In-Kind Distributions. Generally, distributions to you of new common shares or rights to subscribe for new common shares that are received as part of a pro rata distribution to all of our shareholders will not be subject to U.S. federal income tax. The adjusted tax basis of the new common shares or rights so received will be determined by allocating your adjusted tax basis in the old common shares between the old common shares and the new common shares or rights received, based on their relative fair market values on the date of distribution. However, in the case of a distribution of rights to subscribe for common shares, the adjusted tax basis of the rights will be zero if the fair market value of the rights is less than 15% of the fair market value of the old common shares on the date of distribution and you do not make an election to determine the adjusted tax basis of the rights by allocation as described above. Your holding period for the new common shares or rights should include the holding period for the old common shares on which the distribution was made.

Foreign Tax Credits. Subject to certain conditions and limitations, any foreign taxes paid on or withheld from distributions from us and not refundable to you may be credited against your U.S. federal income tax liability or, alternatively, may be deducted from your taxable income. This election is made on a year-by-year basis and applies to all foreign taxes paid by you or withheld from you that year.

Distributions will constitute foreign source income for foreign tax credit limitation purposes. The foreign tax credit limitation is calculated separately with respect to two specific classes of income. For this purpose, distributions characterized as dividends distributed by us are expected to constitute "passive category income" or, in the case of certain U.S. Holders, "general category income." Special limitations may apply if a dividend is treated as QDI (as defined above).

Since the rules governing foreign tax credits are complex, you should consult your own tax advisor regarding the availability of foreign tax credits in your particular circumstances.

Dispositions of Common Shares

Subject to the discussion in "—Passive Foreign Investment Company" below, you will recognize taxable gain or loss realized on the sale or other taxable disposition of common shares equal to the difference between the U.S. dollar value of (i) the amount realized on the disposition (i.e., the amount of cash plus the fair market value of any property received), and (ii) your adjusted tax basis in the common shares. Such gain or loss will be capital gain or loss.

If you have held the common shares for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain (currently, with a maximum rate of 15% for taxable years beginning before January 1, 2013) will apply to non-corporate U.S. Holders. In the case of a corporation, capital gains are taxed at the same rate as ordinary income, which is currently 35%. If you have held the common shares for one year or less, such capital gain or loss will be short-term capital gain or loss taxable as ordinary income at your marginal income tax rate. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized is not expected to give rise to foreign source income for U.S. foreign tax credit purposes.

You should consult your own tax advisor regarding the U.S. federal income tax consequences if you receive currency other than U.S. dollars upon the disposition of common shares.

Passive Foreign Investment Company

We will be a PFIC under Section 1297 of the Code if, for a taxable year, either (a) 75% or more of our gross income for such taxable year is passive income (the "income test") or (b) 50% or more of the average percentage, generally determined by fair market value, of our assets during such taxable year either produce passive income or are held for the production of passive income (the "asset test"). "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. However, rents derived from the conduct of an active trade or business are not treated as passive income.

Certain "look through" rules apply for purposes of the income and asset tests described above. If we own, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, we will be treated as if we (a) held directly a proportionate share of the other corporation's assets, and (b) received directly a proportionate share of the other corporation's income. In addition, passive income does not include any interest, dividends, rents, or royalties that are received or accrued by us from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to income of such related person that is not passive income.

Under the income and asset tests, whether or not we are a PFIC will be determined annually based upon the composition of our income and the composition and valuation of our assets, all of which are subject to change. In analyzing whether we should be treated as a PFIC, we are relying on the amount and character of our projected revenues and the amount and character of our projected capital expenditures, the valuation of our assets, and our expected election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes. If the amount and character of our actual revenues and capital expenditures do not match our projections, we may be a PFIC. In these calculations, we have valued our intangible assets based on our market capitalization, determined using the market price of our common shares. Such market price may fluctuate. If our market capitalization is less than anticipated or subsequently declines, this will decrease the value of our intangible assets and we may be a PFIC. Furthermore, we have made a number of assumptions regarding the value of our intangible assets. We believe our valuation approach is reasonable. However, it is possible that the IRS could challenge the valuation of our intangible assets, which may result in our being a PFIC.

We do not believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the IRS may challenge our determination concerning our PFIC status.

Default PFIC Rules under Section 1291 of the Code . If we are a PFIC, the U.S. federal income tax consequences to a U.S. Holder of an investment in common shares will depend on whether such U.S. Holder is permitted to make and makes (i) an election to treat us as a qualified electing fund ("QEF") under Section 1295 of the Code (a "QEF Election") or (ii) a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder owning common shares while we were or are a PFIC that has not made either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

If you are a Non-Electing U.S. Holder, you will be subject to the default tax rules of Section 1291 of the Code with respect to:

- any "excess distribution" paid on common shares, which means the excess (if any) of the total distributions received by you during the current taxable year over 125% of the average distributions received by you during the three preceding taxable years (or during the portion of your holding period for the common shares prior to the current taxable year, if shorter); and
- any gain recognized on the sale or other taxable disposition (including a pledge) of common shares.

Under these default tax rules:

- any excess distribution or gain will be allocated ratably over your holding period for the common shares;
- the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC will be treated as ordinary income in the current year;
- the amount allocated to each of the other years will be treated as ordinary income and taxed at the highest applicable tax rate in effect for that year; and
- the resulting tax liability from any such prior years will be subject to the interest charge applicable to underpayments of tax.

In addition, notwithstanding any election you may make, dividends that you receive from us will not be eligible for the preferential tax rates applicable to QDI (as discussed above in "—Distributions on Common Shares") if we are a PFIC either in the taxable year of the distribution or the preceding taxable year, but will instead be taxable at rates applicable to ordinary income.

Special rules for Non-Electing U.S. Holders will apply to determine U.S. foreign tax credits with respect to foreign taxes imposed on distributions on common shares.

If we are a PFIC for any taxable year during which you hold common shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold common shares, regardless of whether we actually continue to be a PFIC. If we are a PFIC in any year with respect to you, you will be required to file an annual return on IRS Form 8621 regarding distributions received on common shares and any gain realized on the disposition of common shares.

QEF Election. We currently do not intend to prepare or provide you with certain tax information that would permit you to make a QEF Election to avoid the adverse tax consequences associated with owning PFIC stock.

Mark-to-Market Election. U.S. Holders may make a Mark-to-Market Election, but only if the common shares are marketable stock. The common shares will be "marketable stock" as long as they remain listed on the NYSE and are regularly traded. Shares are "regularly traded" for any calendar year during which it is traded (other than in *de minimis* quantities) on at least fifteen days during each calendar quarter. There can be no assurances, however, that our common shares will be treated, or continue to be treated, as regularly traded.

If you make a Mark-to-Market Election, you generally will not be subject to the default rules of Section 1291 of the Code discussed above. Rather, you will be required to recognize ordinary income for any increase in the fair market value of the common shares for each taxable year that we are a PFIC. You will also be allowed to deduct as an ordinary loss any decrease in the fair market value to the extent of net marked-to-market gain previously included in prior years. Your adjusted tax basis in the common shares will be adjusted to reflect the amount included or deducted.

The Mark-to-Market Election will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the common shares cease to be marketable stock or the IRS consents to the revocation of the election. You should consult your own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Since the PFIC rules are complex, you should consult your own tax advisor regarding them and how they may affect the U.S. federal income tax consequences of an investment in common shares.

Legislative Developments

Signed into law March 30, 2010, the Health Care and Education Reconciliation Act provides, among other things, with respect to taxable years beginning after December 31, 2012, certain U.S. persons, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over $200,000 ($250,000 if married and filing jointly or $125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. You should consult your tax advisors regarding the implications of the additional Medicare tax resulting from your ownership and disposition of our common shares.

Information Reporting and Backup Withholding

Information reporting requirements will apply to distributions on common shares or proceeds from the disposition of common shares paid within the U.S. (and, in certain cases, outside the U.S.) to a U.S. Holder unless such U.S. Holder is an exempt recipient, such as a corporation. Furthermore, backup withholding (currently at 28%) may apply to such amounts unless such U.S. Holder (i) is an exempt recipient that, if required, establishes its right to an exemption, or (ii) provides its taxpayer identification number, certifies that it is not currently subject to backup withholding, and complies with other applicable requirements. A U.S. Holder may avoid backup withholding if it furnishes a properly completed IRS Form W-9 and is able to make the required certifications.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Taxation of Non-U.S. Holders

Distributions on Common Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on distributions received on common shares, unless the distributions are effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S.

If distributions are effectively connected with a U.S. trade or business and (if applicable) attributable to a U.S. permanent establishment, you will be subject to tax on such distributions in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders—Distributions on Common Shares" above. In addition, any such distributions received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Dispositions of Common Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on any gain recognized on a sale or other taxable disposition of common shares, unless (i) the gain is effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S., or (ii) you are an individual and are present in the U.S. for at least 183 days in the taxable year of the disposition, and certain other conditions are met.

If you meet the test in clause (i) above, you generally will be subject to tax on any gain that is effectively connected with your conduct of a trade or business in the U.S. in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders—Dispositions of Common Shares" above. Effectively connected gain realized by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you meet the test in clause (ii) above, you generally will be subject to tax at a 30% rate on the amount by which your U.S. source capital gain exceeds your U.S. source capital loss.

Information Reporting and Backup Withholding

Payments to Non-U.S. Holders of distributions on, or proceeds from the disposition of, common shares are generally exempt from information reporting and backup withholding. However, a Non-U.S. Holder may be required to establish that exemption by providing certification of non-U.S. status on an appropriate IRS Form W-8.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Whenever a reference is made in this Annual Report on Form 20-F to any contract, agreement or other document, the reference may not be complete and you should refer to the copy of that contract, agreement or other document filed as an exhibit to one of our previous SEC filings. You can read our SEC filings over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Copies of reports and other information may also be inspected in the offices of the NYSE, 20 Broad Street, New York, New York 10005.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of changes in value of a financial instrument, derivative or non-derivative, caused by fluctuations in foreign exchange rates and interest rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Foreign Exchange Rate Risk. Although we have significant foreign-based operations, the U.S. dollar is our primary operating currency. Thus, substantially all of our revenue and the majority of our expenses in 2010, 2009 and 2008 were denominated in U.S. dollars. For the years ended December 31, 2010, 2009 and 2008, 34%, 38% and 38%, respectively, of our direct container expenses were paid in 18, 17 and 15 different foreign currencies for the years ended December 31, 2010, 2009 and 2008, respectively. We do not hedge these container expenses as there are no significant payments made in any one foreign currency. Foreign exchange fluctuations did not materially impact our financial results in those periods.

Interest Rate Risk. We have entered into various interest rate swap and cap agreements to mitigate our exposure associated with our variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate ("LIBOR"). The differentials between the fixed and variable rate payments under these agreements are recognized in realized (losses) gains on interest rate swaps and caps, net in the consolidated statement of income.

As of December 31, 2010, 2009 and 2008, none of the derivative instruments we have entered into qualify for hedge accounting. The fair value of the derivative instruments is measured at each of these balance sheet dates and the change in fair value is recorded in the consolidated statements of income as unrealized (losses) gains on interest rate swaps, net.

We utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs which are observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs which are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, which include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and Level 3 inputs which are unobservable inputs that reflect the reporting entity's own assumptions.

We use the exchange price notion, which is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. Therefore, the definition focuses on the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price).

We changed from measuring the fair value of its interest rate swaps under a Level 3 input to a Level 2 input during the three months ended June 30, 2009 because we began determining the fair value estimate using observable market inputs. In addition, our liability valuation reflects our credit standing and the credit standing of the counterparties to the interest rate swaps. The valuation technique we utilized to calculate the fair value of the interest rate swaps was the income approach. This approach represents the present value of future cash flows based upon current market expectations. The increase in the interest rate swap agreements' net fair value liability during the year ended December 31, 2010 primarily reflects a decrease in rates in the future portion of the swaps' curves as of December 31, 2010.

The notional amount of the interest rate swap agreements was $460,120 as of December 31, 2010, with expiration dates between May 2012 and December 2015. We receive fixed rates between 0.97% and 3.96% under the interest rate swap agreements. The net fair value liability of these agreements was $12,261 and $8,240 as of December 31, 2010 and 2009, respectively.

The notional amount of the interest rate cap agreements was $135,100 as of December 31, 2010, with expiration dates between March 2011 and November 2015.

Based on the debt balances and derivative instruments as of December 31, 2010, it is estimated that a 1% increase in interest rates would result in a decrease in the fair value of interest rate swaps of $10,947, an increase in interest expense of $7,164 and a decrease in realized losses on interest rate swaps, net of $3,673.

Quantitative and Qualitative Disclosures About Credit Risk

We maintain detailed credit records about our container lessees. Our credit policy sets different maximum exposure limits for our container lessees. Credit criteria may include, but are not limited to, container lessee trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, including those from Dynamar B.V. or "Dynamar," and Lloyd's Marine Intelligence Unit (common credit reporting agencies used in the maritime sector), operational history and financial strength. We monitor our container lessees' performance and our lease exposures on an ongoing basis, and our credit management processes are aided by the long payment experience we have with most of our container lessees and our broad network of long-standing relationships in the shipping industry that provide current information about our container lessees. In managing this risk, we also make an allowance for doubtful accounts. The allowance for doubtful accounts is developed based on two key components:

- specific reserves for receivables which are impaired for which management believes full collection is doubtful; and
- reserves for estimated losses inherent in the receivables based upon historical trends.

As of December 31, 2010, approximately 95.1% of accounts receivable for our total fleet and 99.4% of the finance lease receivables were from container lessees and customers outside of the U.S. Customers in the PRC (including Hong Kong) and France accounted for approximately 20.6% and 11.4%, respectively, of our total fleet container leasing revenue for the year ended December 31, 2010. Customers in no other country accounted for greater than 10.0% of our total fleet container leasing revenue for the same period. Total fleet container leasing revenue differs from our reported container rental revenue in that total fleet container leasing revenue comprises revenue earned from leases on containers in our total fleet, including revenue earned by our investors from leases on containers in our managed fleet, while our reported container revenue only comprises container leasing revenue associated with our owned fleet. We derive revenue with respect to container leasing revenue associated with our managed fleet from management fees based upon the operating performance of the managed containers.

Lease billings from our 25 largest container lessees represented $363,528, or 76.7% of our total owned and managed fleet container lease billings for the year ended December 31, 2010, with lease billings from our single largest container lessee accounting for $52,675, or 11.1% of our owned and managed fleet container lease billings during such period.

An allowance for doubtful accounts of $8,653 has been established against receivables as of December 31, 2010 for our owned fleet. For the year ended December 31, 2010, receivable write-offs, net of recoveries, totaled $256 for our owned fleet.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On October 15, 2007, we completed our initial public offering of our common shares at a price of $16.50 per share and listed our common shares on the New York Stock Exchange under the symbol "TGH." We sold an aggregate of 9,000,000 of our common shares and generated proceeds of $138.0 million, after deducting underwriting discounts and other offering expenses. The managing underwriters of our initial public offering were Credit Suisse Securities (USA) LLC, Wachovia Capital Markets, LLC, Jefferies & Company, Inc., Piper Jaffray & Co. and Fortis Securities LLC. There have been no material modifications to the rights of our security holders and the use of proceeds from our initial public offering previously disclosed in our registration statement on Form F-1 (File No. 333-146304) filed by us in connection with our initial public offering.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Textainer's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2010, have concluded that, as of such date, our disclosure controls and procedures were effective.

Disclosure controls are controls and procedures designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report on Form 20-F, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls are also designed to reasonably assure that this information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control Over Financial Reporting

Textainer's management, with oversight by the Board of Directors, is responsible for establishing and maintaining adequate internal control over financial reporting. Textainer's internal control system was designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation and fair presentation of financial statements in accordance with generally accepted accounting principles in the United States.

Textainer's management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2010.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C. Report of the Registered Public Accounting Firm

Our internal controls over financial reporting as of December 31, 2010 have been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included under Item 18, "*Financial Statements*" on page F-2 in this Annual Report on Form 20-F.

D. Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the period covered by this Annual Report on Form 20-F that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

In accordance with New York Stock Exchange ("NYSE") rules, we have an audit committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. As a foreign private issuer, we are not required to comply with NYSE requirements that our audit committee has a minimum of three members and that all of our audit committee members satisfy the NYSE's requirements for independence. Our audit committee has five members, Messrs. Shwiel, Cottingham, Neil Jowell, McQueen and Hoelter. Messrs. Shwiel and Cottingham are voting members of the audit committee and are independent as that term is defined in Rule 10A-3 under the Exchange Act. The board affirmatively determined that Mr. Shwiel and Mr. Cottingham are audit committee financial experts. The other three members (Messrs. Hoelter, Neil Jowell and McQueen) are representatives of Trencor and have no voting rights. Our board of directors has adopted an audit committee charter effective October 9, 2007.

ITEM 16B. CODE OF ETHICS

We have adopted the Textainer Group Holdings Limited Code of Business Conduct and Ethics (the "Code of Business Conduct and Ethics"), which covers members of our board of directors and all of our employees (including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions).

The Code of Business Conduct and Ethics addresses, among other things, the following items:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- accountability for adherence to the code.

During fiscal year 2010, no waivers or amendments were made to the Code of Business Conduct and Ethics for any of our directors or executive officers. We have posted the text of the Code of Business Conduct and Ethics on our website at www.textainer.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our audit committee pre-approves all services provided by our principal accountants, KPMG LLP. All of the services and fees described below were reviewed and pre-approved by our audit committee. Our audit committee has delegated to the chairman of the audit committee certain limited authority to grant pre-approvals. These decisions to pre-approve a service must be presented to the full audit committee at its next scheduled meeting.

The following is a summary of the fees billed to us by our principal accountants for professional services rendered for the fiscal years ended December 31, 2010 and 2009:

Fee Category	2010 Fees	2009 Fees
Audit Fees	$1,069	$ 1,133
Tax Fees	31	19
All Other Fees	—	—
Total Fees	$ 1,100	$1,152

Audit Fees—Consists of fees billed for professional services rendered for the audit of our financial statements and services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Tax Fees—Consists of fees billed for professional services for tax compliance, tax advice and tax planning.

All Other Fees—Consists of fees for product and services other than the services reported above. KPMG LLP did not provide any other services to Textainer for the fiscal years ended December 31, 2010 or 2009.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

We rely on the exemption afforded by Rule 10A-3(b)(1)(iv)(D) under the Exchange Act. Three of the five members of our audit committee (Messrs. Hoelter, Neil Jowell and McQueen) are directors of Trencor, which, together with certain of its subsidiaries, are the discretionary beneficiaries of a trust that indirectly owns a majority of our common shares. Each of Messrs. Hoelter, Neil Jowell and McQueen is neither a voting member or chairperson of our audit committee nor one of our executive officers. We believe that such reliance does not materially adversely affect the ability of the audit committee to act independently or to satisfy the other requirements of Rule 10A-3.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of Bermuda. Therefore, we are exempt from many of the New York Stock Exchange's ("NYSE") corporate governance practices, other than the establishment of a formal audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act and notification of non-compliance with NYSE listing requirements. The practices that we follow in lieu of the NYSE's corporate governance rules are described below.

- We do not, and are not required under Bermuda law to, maintain a board of directors with a majority of independent directors. Currently, a majority of our directors are not independent, as that term is defined by the NYSE.

- We are not required by Bermuda law to hold regular meetings of the board of directors at which only independent directors are present.
- Under Bermuda law, compensation of executive officers need not be determined by an independent committee. We have established a compensation committee that reviews and approves the compensation and benefits for our executive officers and other key executives, makes recommendations to the board regarding compensation matters and is responsible for awarding compensation to our executive officers and other employees under our share compensation plans. The committee also has the discretion to interpret and amend the terms of, and take all other actions necessary to administer, the 2007 Share Incentive Plan. However, our compensation committee is not comprised solely of independent directors. The members of our compensation committee are Messrs. Neil Jowell, Cottingham, Hoelter, Nurek and Shwiel. Messrs. Neil Jowell, Hoelter and Nurek are directors of Trencor. Our board of directors has also adopted a compensation committee charter.
- In accordance with NYSE rules, we have formed an audit committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. Our audit committee need not have three members and the members need not comply with the NYSE's standards of independence for domestic issuers. Our audit committee has five members, Messrs. Neil Jowell, Cottingham, Hoelter, McQueen and Shwiel. Messrs. Cottingham and Shwiel are voting members of the committee and are independent as that term is defined in Rule 10A-3 under the Exchange Act. The other three members are representatives of Trencor and have no voting rights. Our board of directors has also adopted an audit committee charter.
- We have established a nominating and governance committee, although this committee is not comprised solely of independent directors, as would be required of a domestic issuer. Our nominating and governance committee has five members, Messrs. Neil Jowell, Cottingham, Hoelter, Nurek and Shwiel. Our board of directors has also adopted a nominating and governance committee charter.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. However, we sought and received the approval of our shareholders for our 2007 Share Incentive Plan on September 4, 2007. We are also required under Bermuda law to obtain the consent of the Bermuda Monetary Authority for the issuance of securities in certain circumstances.
- Under Bermuda law, we are not required to adopt corporate governance guidelines or a code of business conduct. However, we have adopted both corporate governance guidelines and a code of business conduct.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to the NYSE. However, we have provided a proxy statement to the NYSE and expect to continue to do so in the future.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 “Financial Statements.”

ITEM 18. FINANCIAL STATEMENTS

Reference is made to pages F-1 through F-41 and is incorporated herein by reference.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report on Form 20-F:

Exhibit Number	Description of Document
1.1	Memorandum of Association of Textainer Group Holdings Limited(1)
1.2	Bye-laws of Textainer Group Holdings Limited(2)
2.1	Form of Common Share Certificate(3)
4.1	Office Lease, dated August 8, 2001, by and between Pivotal 650 California St., LLC and Textainer Equipment Management (U.S.) Limited (the "Office Lease")(4)
4.2	First Amendment to the Office Lease, dated as of December 23, 2008, by and between A—650 California Street, LLC and Textainer Equipment Management (U.S.) Limited(5)
4.3*	Employment Agreement, dated as of January 1, 2007 by and between Textainer Equipment Management (U.S.) Limited and John A. Maccarone(6)
4.4*	Employment Agreement, dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Ernest J. Furtado(7)
4.5*	Employment Agreement, dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Philip K. Brewer(8)
4.6*	Employment Agreement, dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Robert D. Pedersen(9)
4.7*	2007 Short-Term Incentive Plan effective January 1, 2007(10)
4.8*	2007 Share Incentive Plan (as amended and restated effective May 19, 2010) (11)
4.9*	2008 Bonus Plan(12)
4.10*	Form of Indemnification Agreement(13)
4.11	Second Amended and Restated Indenture, dated as of May 26, 2005, by and between Textainer Marine Containers Limited, as issuer, and Wells Fargo Bank, National Association, as indenture trustee (the "Second Amended and Restated Indenture")(14)
4.12	Amendment Number 1, dated as of June 3, 2005, to the Second Amended and Restated Indenture(15)
4.13	Amendment Number 2, dated as of June 8, 2006, to the Second Amended and Restated Indenture(16)
4.14	Amendment Number 3, dated as of July 2, 2008, to the Second Amended and Restated Indenture(17)
4.15†	Amendment Number 4, dated as of June 29, 2010, to the Second Amended and Restated Indenture
4.16†	Amendment Number 5, dated as of June 29, 2010, to the Second Amended and Restated Indenture
4.17	Textainer Marine Containers Limited Series 2005-1 Supplement, dated as of May 26, 2005 to the Second Amended and Restated Indenture(18)
4.18†	Textainer Marine Containers Limited Series 2010-1 Supplement, dated as of June 29, 2010 to the Second Amended and Restated Indenture
4.19	Credit Agreement, dated as of April 22, 2008, by and among Textainer Limited, as borrower, Textainer Group Holdings Limited, as guarantor, Bank of America, N.A., as agent and the lenders party thereto (the "Credit Agreement")(19)
4.20	Letter Agreement, dated November 28, 2006 by and between Trencor Containers (Proprietary) Limited and Textainer Limited and Textainer Equipment Management Limited(20)

Exhibit Number	Description of Document
4.21**	Fourth Amended and Restated Equipment Management Services Agreement, dated as of June 1, 2002, by and between Textainer Equipment Management Limited and Leased Assets Pool Company Limited(21)
4.22	Amendment to Fourth Amended and Restated Equipment Management Services Agreement, dated as of September 12, 2007, by and between Textainer Equipment Management Limited and Leased Asset Pool Company Limited (22)
4.23**	Container Management Services Agreement (revised), dated as of September 1, 1990, by and between Isam K. Kabbani and Textainer Equipment Management N.V., as amended(23)
4.24	Form of Management Services Agreement, dated July 23, 2007, by and between Green Eagle Investments N.V., and Textainer Equipment Management Limited, for the management of the container fleet of Capital Lease Limited(24)
4.25	Share Purchase Agreement, dated as of November 21, 2007, by and among FB Transportation Capital LLC and Textainer Limited(25)
8.1†	Subsidiaries of the Registrant
12.1†	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2†	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1†	Certification of the Chief Executive Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2†	Certification of the Chief Financial Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1†	Consent of KPMG LLP
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

* Indicates management contract or compensatory plan.

** Confidential treatment requested for certain portions of this exhibit, which portions are omitted and filed separately with the SEC.

(1) Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(2) Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(3) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(4) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(5) Incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(6) Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(7) Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(8) Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(9) Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(10) Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(11) Incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-171409) filed with the SEC on December 23, 2010.

(12) Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(13) Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(14) Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(15) Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(16) Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(17) Incorporated by reference to Exhibit 4.14 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(18) Incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(19) Incorporated by reference to Exhibit 4.17 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(20) Incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(21) Incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(22) Incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(23) Incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(24) Incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(25) Incorporated by reference to Exhibit 4.25 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 28, 2008.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Textainer Group Holdings Limited

/S/ JOHN A. MACCARONE

John A. Maccarone
President and Chief Executive Officer

/S/ ERNEST J. FURTADO

Ernest J. Furtado
First Vice President, Senior Vice President, Chief Financial Officer and Secretary

March 18, 2011

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Textainer Group Holdings Limited:

We have audited the accompanying consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2010. In connection with our audits of the consolidated financial statements, we have also audited financial statement schedules I and II. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Textainer Group Holdings Limited and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedules I and II, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Textainer Group Holdings Limited's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 18, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
San Francisco, CA
March 18, 2011

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Textainer Group Holdings Limited:

We have audited Textainer Group Holdings Limited's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Textainer Group Holdings Limited's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Textainer Group Holdings Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2010, and the financial statement schedules I and II, and our report dated March 18, 2011 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
San Francisco, CA
March 18, 2011

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ 57,081	$ 56,819
Accounts receivable, net of allowance for doubtful accounts of $8,653 and $8,347 in 2010 and 2009, respectively	63,511	68,896
Net investment in direct financing and sales-type leases	19,117	17,225
Trading containers	404	1,271
Containers held for sale	2,883	9,756
Prepaid expenses	8,603	1,785
Deferred taxes	1,895	1,463
Due from affiliates, net	—	126
Total current assets	153,494	157,341
Restricted cash	15,034	6,586
Containers, net of accumulated depreciation of $361,791 and $343,513 at 2010 and 2009, respectively	1,437,259	1,061,866
Net investment in direct financing and sales-type leases	72,224	63,326
Fixed assets, net of accumulated depreciation of $8,820 and $8,512 at 2010 and 2009, respectively	1,804	1,986
Intangible assets, net of accumulated amortization of $27,441 and $20,897 at 2010 and 2009, respectively	60,122	66,692
Interest rate swaps	1,320	731
Other assets	5,950	1,495
Total assets	$ 1,747,207	$ 1,360,023
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 6,296	$ 9,078
Accrued expenses	11,988	9,740
Container contracts payable	98,731	13,140
Deferred revenue	6,855	7,948
Due to owners, net	17,545	14,141
Secured debt facility	—	16,500
Bonds payable	51,500	51,500
Total current liabilities	192,915	122,047
Revolving credit facility	104,000	79,000
Secured debt facility	558,127	313,021
Bonds payable	175,570	226,875
Deferred revenue	2,994	11,294
Interest rate swaps	13,581	8,971
Income tax payable	20,821	18,656
Deferred taxes	8,632	6,894
Total liabilities	1,076,640	786,758
Equity:		
Textainer Group Holdings Limited shareholders' equity:		
Common shares, $0.01 par value. Authorized 140,000,000 shares; issued and outstanding 48,318,058 and 47,760,771 at 2010 and 2009, respectively	483	478
Additional paid-in capital	181,602	170,497
Accumulated other comprehensive loss	(52)	(111)
Retained earnings	401,849	329,449
Total Textainer Group Holdings Limited shareholders' equity	583,882	500,313
Noncontrolling interest	86,685	72,952
Total equity	670,567	573,265
Total liabilities and equity	$ 1,747,207	$ 1,360,023

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Income
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands, except per share amounts)

	2010	2009	2008
Revenues:			
Lease rental income	$235,827	$189,779	$198,600
Management fees	29,137	25,228	28,603
Trading container sales proceeds	11,291	11,843	36,294
Gains on sale of containers, net	27,624	12,111	17,821
Total revenues	303,879	238,961	281,318
Operating expenses:			
Direct container expense	25,542	39,062	25,709
Cost of trading containers sold	9,046	9,721	28,581
Depreciation expense	58,972	48,473	48,900
Amortization expense	6,544	7,080	6,979
General and administrative expense	21,670	20,304	20,991
Short-term incentive compensation expense	4,805	2,924	4,257
Long-term incentive compensation expense	5,318	3,575	3,148
Bad debt expense, net	145	3,304	3,663
Total operating expenses	132,042	134,443	142,228
Income from operations	171,837	104,518	139,090
Other income (expense):			
Interest expense	(18,151)	(11,750)	(26,227)
Gain on early extinguishment of debt	—	19,398	—
Interest income	27	61	1,482
Realized losses on interest rate swaps and caps, net	(9,844)	(14,608)	(5,986)
Unrealized (losses) gains on interest rate swaps, net	(4,021)	11,147	(15,105)
Other, net	(1,591)	35	(203)
Net other (expense) income	(33,580)	4,283	(46,039)
Income before income tax and noncontrolling interest	138,257	108,801	93,051
Income tax (expense) benefit	(4,493)	(3,471)	871
Net income	133,764	105,330	93,922
Less: Net income attributable to the noncontrolling interest	(13,733)	(14,554)	(8,681)
Net income attributable to Textainer Group Holdings Limited common shareholders	$ 120,031	$ 90,776	$ 85,241
Net income attributable to Textainer Group Holdings Limited common shareholders per share:			
Basic	$ 2.50	$ 1.90	$ 1.79
Diluted	$ 2.43	$ 1.88	$ 1.78
Weighted average shares outstanding (in thousands):			
Basic	48,108	47,761	47,605
Diluted	49,307	48,185	47,827

See accompanying notes to consolidated financial statements

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity and Comprehensive Income
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands, except share amounts)

	Textainer Group Holdings Limited Shareholders' Equity							
	Common shares							
	Shares	Amount	Additional paid-in capital	Notes receivable from shareholders	Accumulated other comprehensive income (loss)	Retained earnings	Noncontrolling interest	Total equity
Balances, December 31, 2007	47,604,640	$ 476	$ 163,753	$ (432)	$ 579	$ 239,740	$ 49,717	$ 453,833
Initial public offering expenses	—	—	(31)	—	—	—	—	(31)
Dividends to shareholders ($0.89 per common share)	—	—	—	—	—	(42,368)	—	(42,368)
Restricted share units vested	100	—	—	—	—	—	—	—
Long-term incentive compensation expense	—	—	3,022	—	—	—	—	3,022
Repayment of notes receivable from shareholders	—	—	—	432	—	—		432
Comprehensive income:								
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	—	85,241	—	85,241
Net income attributable to noncontrolling interest	—	—	—	—	—	—	8,681	8,681
Foreign currency translation adjustments	—	—	—	—	(803)	—	—	(803)
Total comprehensive income								93,119
Balances, December 31, 2008	47,604,740	$ 476	$ 166,744	$ —	$ (224)	$282,613	$ 58,398	$ 508,007
Dividends to shareholders ($0.92 per common share)	—	—	—	—	—	(43,940)	—	(43,940)
Restricted share units vested	156,031	2	(2)	—	—	—	—	—
Long-term incentive compensation expense	—	—	3,493	—	—	—	—	3,493
Tax benefit from restricted share units vested	—	—	262	—	—	—	—	262
Comprehensive income:								
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	—	90,776	—	90,776
Net income attributable to noncontrolling interest	—	—	—	—	—	—	14,554	14,554
Foreign currency translation adjustments	—	—	—	—	113	—	—	113
Total comprehensive income								105,443
Balances, December 31, 2009	47,760,771	$ 478	$ 170,497	$ —	$ (111)	$ 329,449	$ 72,952	$573,265
Dividends to shareholders ($0.99 per common share)	—	—	—	—	—	(47,631)	—	(47,631)
Restricted share units vested	193,241	2	(2)	—	—	—	—	—
Exercise of share options	364,046	3	5,030	—	—	—	—	5,033
Long-term incentive compensation expense	—	—	5,457	—	—	—	—	5,457
Tax benefit from restricted share units vested	—	—	620	—	—	—	—	620
Comprehensive income:								
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	—	120,031	—	120,031
Net income attributable to noncontrolling interest	—	—	—	—	—	—	13,733	13,733
Foreign currency translation adjustments	—	—	—	—	59	—	—	59
Total comprehensive income								133,823
Balances, December 31, 2010	48,318,058	$ 483	$ 181,602	$ —	$ (52)	$ 401,849	$ 86,685	$ 670,567

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands)

	2010	2009	2008
Cash flows from operating activities:			
Net income	$ 133,764	$ 105,330	$ 93,922
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	58,972	48,473	48,900
Bad debt expense, net	145	3,304	3,663
Unrealized losses (gains) on interest rate swaps, net	4,021	(11,147)	15,105
Amortization of debt issuance costs	4,399	2,176	2,693
Amortization of intangible assets	6,544	7,080	6,979
Amortization of acquired above-market leases	26	1,456	963
Amortization of deferred revenue	(7,082)	(4,462)	—
Amortization of unearned income on direct financing and sales-type leases	(7,853)	(8,625)	(5,855)
Gains on sale of containers, net	(27,624)	(12,111)	(17,821)
Gain on early extinguishment of debt	—	(19,398)	—
Share-based compensation expense	5,457	3,493	3,022
Decrease (increase) in:			
Accounts receivable, net	(8,828)	(8,804)	(8,303)
Trading containers, net	867	325	2,214
Prepaid expenses and other current assets	(2,140)	1,538	2,444
Due from affiliates, net	126	(87)	(30)
Other assets	(1,561)	(805)	(2,249)
Increase (decrease) in:			
Accounts payable	(2,782)	4,156	310
Accrued expenses	2,868	(210)	(903)
Deferred revenue	(2,311)	(3,581)	—
Due to owners, net	3,404	3,264	(7,142)
Long-term income tax payable	2,165	2,582	341
Deferred taxes, net	1,306	(185)	(1,844)
Total adjustments	30,119	8,432	42,487
Net cash provided by operating activities	163,883	113,762	136,409
Cash flows from investing activities:			
Purchase of containers and fixed assets	(419,650)	(144,274)	(320,218)
Purchase of intangible assets	—	(13,795)	(106)
Proceeds from sale of containers and fixed assets	75,530	58,833	68,312
Receipt of principal payments on direct financing and sales-type leases	41,156	23,748	20,110
Net cash used in investing activities	(302,964)	(75,488)	(231,902)
Cash flows from financing activities:			
Proceeds from revolving credit facility	152,000	186,000	77,500
Principal payments on revolving credit facility	(127,000)	(160,000)	(46,000)
Proceeds from secured debt facility	327,000	196,500	288,500
Principal payments on secured debt facility	(98,500)	(167,500)	(119,200)
Principal payments on bonds payable	(51,500)	(53,293)	(58,000)
Extinguishment of bonds payable	—	(20,234)	—
(Increase) decrease in restricted cash	(8,448)	9,521	635
Debt issuance costs	(11,670)	(112)	(3,129)
Initial public offering costs	—	—	(31)
Issuance of common shares upon exercise of share options	5,033	—	—
Repayments of notes receivable from shareholders	—	—	432
Dividends paid	(47,631)	(43,940)	(42,368)
Net cash provided by (used in) financing activities	139,284	(53,058)	98,339
Effect of exchange rate changes	59	113	(803)
Net increase (decrease) in cash and cash equivalents	262	(14,671)	2,043
Cash and cash equivalents, beginning of the year	56,819	71,490	69,447
Cash and cash equivalents, end of the year	$ 57,081	$ 56,819	$ 71,490

(Continued)

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands)

	2010	2009	2008
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest and realized losses on interest rate swaps and caps, net	$ 23,061	$24,506	$ 29,176
Income taxes	$ 649	$ 541	$ 929
Supplemental disclosures of noncash investing activities:			
Increase (decrease) in accrued container purchases	$85,591	$ 11,072	$(26,329)
Containers placed in direct financing and sales-type leases	$ 23,590	$18,023	$ 48,783
Intangible assets relinquished for container purchases	$ —	$ 3,378	$ —

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Operations

Textainer Group Holdings Limited ("TGH") is incorporated in Bermuda. TGH is the holding company of a group of corporations, Textainer Group Holdings Limited and subsidiaries (the Company), involved in the purchase, management, leasing and resale of a fleet of marine cargo containers. The Company manages and provides administrative support to the affiliated and unaffiliated owners (the "Owners") of the containers and structures and manages container leasing investment programs.

The Company conducts its business activities in three main areas: container ownership, container management and container resale. These activities are described below (also see Note 11 "Segment Information").

Container Ownership

The Company's containers consist primarily of standard dry freight containers, but also include special-purpose containers. These containers are financed through reinvested earnings, a revolving credit facility and a secured debt facility provided by banks, and bonds payable to investors. Expenses related to lease rental income include direct container expenses, depreciation expense and interest expense.

Container Management

The Company manages, on a worldwide basis, a fleet of containers for and on behalf of the Owners.

All rental operations are conducted worldwide in the name of the Company who, as agent for the Owners, acquires and sells containers, enters into leasing agreements and depot service agreements, bills and collects lease rentals from the lessees, disburses funds to depots for container handling, and remits net amounts, less management fees and commissions, to the Owners. Revenues, customer accounts receivable, fixed assets, depreciation and other operating expenses, and vendor payables arising from direct container operations of the managed portion of the Owners' fleet have been excluded from the Company's financial statements.

Management fees are typically a percentage of net operating income of each Owner's fleet and consist of fees earned by the Company for services related to management of the containers, sales commissions and net acquisition fees earned on the acquisition of containers. Expenses related to the provision of management services include general and administrative expense, short-term and long-term incentive compensation expense and amortization expense.

Container Resale

The Company buys and subsequently resells used containers (trading containers) from third parties. Container sales revenue represents the proceeds on the sale of containers purchased for resale. Cost of containers sold represents only the cost of equipment purchased for resale that were sold as well as the related selling costs. The Company earns sales commissions related to the sale of the containers that it manages.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(b) Principles of Consolidation

The consolidated financial statements of the Company include TGH and all its subsidiaries. All material intercompany balances have been eliminated in consolidation.

The majority of the container equipment included in the accompanying consolidated financial statements is owned by Textainer Marine Containers Limited ("TMCL") in which the Company held a 84.42% and 83.92% economic ownership as of December 31, 2010 and 2009, respectively. TCG Fund I, L.P. held the remaining 15.58% and 16.08% economic ownership as of December 31, 2010 and 2009, respectively.

(c) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents are comprised of interest-bearing deposits or money market securities with original maturities of three months or less. The Company maintains cash and cash equivalents and restricted cash (see Note 12 "Commitments and Contingencies—Restricted Cash") with various financial institutions. These financial institutions are located in the United States, Canada, Bermuda, Singapore, the United Kingdom, the Netherlands and Malaysia. A significant portion of the Company's cash and cash equivalents and restricted cash is maintained with a small number of banks and, accordingly, the Company is exposed to the credit risk of these counterparties in respect of the Company's cash and cash equivalents and restricted cash. Furthermore, the deposits maintained at some of these financial institutions exceed the amount of insurance provided on the deposits. Restricted cash is excluded from cash and cash equivalents and is included in long-term assets.

(d) Intangible Assets

Intangible assets, consisting primarily of exclusive rights to manage container fleets, are amortized over the expected life of the contracts based on forecasted income to the Company. The contract terms range from 11 to 13 years. The Company reviews its intangible assets for impairment if events and circumstances indicate that the carrying amount of the intangible assets may not be recoverable. The Company compares the carrying value of the intangible assets to expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying amount exceeds expected undiscounted cash flows, the intangible assets shall be reduced to their fair value.

(e) Lease Rental Income

Leasing income arises principally from the renting of containers owned by the Company to various international shipping lines. Revenue is recorded when earned according to the terms of the container rental contracts. These contracts are typically for terms of five years or less and are generally classified as operating leases.

Under long-term lease agreements, containers are usually leased from the Company for periods of three to five years. Such leases are generally cancelable with a penalty at the end of each 12-month period. Under master lease agreements, the lessee is not committed to leasing a minimum number of containers from the Company during the lease term and may generally return the containers to the Company at any time, subject to certain restrictions in the lease agreement. Under long-term lease and

(All currency expressed in U.S. dollars in thousands)

master lease agreements, revenue is earned and recognized evenly over the period that the equipment is on lease. Under direct finance and sales-type leases, the containers are usually leased from the Company for the remainder of the container's useful life with a bargain purchase option at the end of the lease term. Revenue is earned and recognized on direct finance leases over the lease terms so as to produce a constant periodic rate of return on the net investment in the leases. Under sales-type leases, a gain or loss is recognized at the inception of the leases by subtracting the book value of the containers from the estimated fair value of the containers and the remaining revenue is earned and recognized over the lease terms so as to produce a constant periodic rate of return on the net investment in the leases.

Container leases do not include step-rent provisions or lease concessions, nor do they depend on indices or rates.

The following is a schedule, by year, of future minimum lease payments receivable under the long-term leases as of December 31, 2010:

Year ending December 31:	
2011	$130,587
2012	101,842
2013	82,680
2014	72,307
2015 and thereafter	57,187
Total future minimum lease payments receivable	$ 444,603

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its lessees to make required payments. These allowances are based on management's current assessment of the financial condition of the Company's lessees and their ability to make their required payments. If the financial condition of the Company's lessees were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(f) Direct Container Expense

Direct container expense represents the operating costs arising from the containers owned by the Company and includes storage, handling, maintenance, Damage Protection Plan ("DPP") repair, agent and insurance expense.

(g) Containers Held for Resale

The Company, through one or more of its subsidiaries, buys trading containers for resale, which are valued at the lower of cost or market value. The cost of trading containers sold is specifically identified.

(h) Foreign Currencies

A functional currency is determined for each of the entities within the Company based on the currency of the primary economic environment in which the entity operates. The Company's functional currency, excluding its foreign subsidiaries, is the U.S. dollar. Assets and liabilities denominated in a

currency other than the entity's functional currency are re-measured into its functional currency at the balance sheet date with a gain or loss recognized in current year net income. Foreign currency exchange gains and losses that arise from exchange rate changes on transactions denominated in a foreign currency are recognized in net income as incurred. Foreign currency exchange (losses) gains, reported in direct container expense in the consolidated statements of income were $(434), $38, and $17 for the years ended December 31, 2010, 2009 and 2008, respectively. For consolidation purposes, the financial statements are then translated into U.S. dollars using the current exchange rate for the assets and liabilities and a weighted average exchange rate for the revenues and expenses recorded during the year with any translation adjustment shown as an element of accumulated other comprehensive income (loss).

(i) Containers and Fixed Assets

Capitalized container costs include the container cost payable to the manufacturer and the associated transportation costs incurred in moving the containers from the manufacturer to the containers' first destined port. Containers purchased new are depreciated using the straight-line method over their estimated useful lives of 12 years to an estimated dollar residual value. Containers purchased used are depreciated based upon their remaining useful lives at the date of acquisition to an estimated dollar residual value. The Company evaluates the estimated residual values and remaining estimated useful lives on an ongoing basis. During several years prior to the year ended December 31, 2008, the Company experienced a significant increase in resale prices, as a result of (i) a lower number of containers available for sale due to higher utilization and (ii) the increased cost of new containers. Based on this extended period of higher container resale values and an expectation that new equipment prices will remain near current levels, the Company increased the estimated future residual values of its containers during 2008. These increases in residual values caused a decrease in depreciation expense of $7,200 ($6,984 after tax or $0.15 per diluted share) for the year ended December 31, 2008. No such adjustment of residual values was necessary for the years ended December 31, 2010 and 2009 and these newest residual values were used for the years ended December 31, 2010 and 2009. Depreciation expense may fluctuate in future periods based on fluctuations in these estimates.

Fixed assets are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

The Company reviews its containers and fixed assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company compares the carrying value of the containers to expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds expected future undiscounted cash flows, the assets are reduced to fair value. In addition, containers identified as being available for sale are valued at the lower of carrying value or fair value, less costs to sell.

The Company has evaluated the recoverability of the recorded amount of container rental equipment at December 31, 2010 and 2009, and determined that a reduction in the carrying values of containers held for continued use was not required, but a write-down in the value of certain containers identified for sale was required.

During the years ended December 31, 2010, 2009 and 2008, the Company recorded impairments of $1,602, $1,973 and $546, which are included in depreciation expense in the consolidated statements of income, to write down the value of 4,244, 11,958 and 2,671 containers identified for sale,

(All currency expressed in U.S. dollars in thousands)

respectively, to their estimated fair value. The fair value was estimated based on recent gross sales proceeds. When containers are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. At December 31, 2010 and 2009, the carrying value of 631 and 3,156 containers identified for sale included impairment charges of $172 and $628, respectively. The carrying value of these containers identified for sale amounted to $376 and $2,411 as of December 31, 2010 and 2009, respectively, and is included in containers held for sale in the consolidated balance sheets.

During the years ended December 31, 2010, 2009 and 2008, the Company recorded the following net gain on sales of containers, included in gains on sale of containers, net in the consolidated statements of income:

	2010		2009		2008	
	Units	Amount	Units	Amount	Units	Amount
Gains on sale of previously written down containers, net	6,767	$ 3,337	9,221	$ 1,140	2,585	$ 1,339
Gains on sale of containers not written down, net	30,724	24,287	35,024	10,971	32,665	16,482
Gains on sales of containers, net	37,491	$27,624	44,245	$12,111	35,250	$17,821

If other containers are subsequently identified as available for sale, the Company may incur additional write-downs or may incur losses on the sale of these containers if they are sold. The Company will continue to evaluate the recoverability of recorded amounts of containers and a write-down of certain containers held for continued use and/or an increase in its depreciation rate may be required in future periods for some or all containers.

(j) Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when the realization of a deferred tax asset is unlikely.

The Company also accounts for income tax positions by recognizing the effect on income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. If there are findings in future regulatory examinations of the Company's tax returns, those findings may result in additional income tax expense.

The Company records interest and penalties related to unrecognized tax benefits in income tax expense.

(k) Maintenance and Repair Expense and Damage Protection Plan

The Company's leases generally require the lessee to pay for any damage to the container beyond normal wear and tear at the end of the lease term. The Company offers a DPP to certain lessees of its containers. Under the terms of the DPP, the Company charges lessees an additional amount primarily on a daily basis and the lessees are no longer obligated for certain future repair costs for containers subject to the DPP. It is the Company's policy to recognize these revenues as earned on a daily basis over the related term of its lease. The Company has not recognized revenue and related expense for customers who are billed at the end of the lease term under the DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts from lessees who are billed at the end of the lease term because the amounts due under the DPP are typically re-negotiated at the end of the lease term or the lease term is extended. The Company uses the direct expense method of accounting for maintenance and repairs.

(l) Concentrations

Although substantially all of the Company's income from operations is derived from assets employed in foreign countries, virtually all of this income is denominated in U.S. dollars. The Company does pay some of its expenses in various foreign currencies. For the years ended December 31, 2010, 2009 and 2008, $8,796 or 34%, $15,013 or 38% and $9,791 or 38%, respectively, of the Company's direct container expenses were paid in 18 different foreign currencies for the year ended December 31, 2010, 17 different foreign currencies for the year ended December 31, 2009 and 15 different foreign currencies for the year ended December 31, 2008. The Company does not hedge these container expenses as there are no significant payments made in any one foreign currency.

The Company's customers are international shipping lines, which transport goods on international trade routes. Once the containers are on hire with a lessee, the Company does not track their location. The domicile of the lessee is not indicative of where the lessee is transporting the containers. The Company's business risk in its foreign concentrations lies with the creditworthiness of the lessees rather than the geographic location of the containers or the domicile of the lessees. Except for one major lessee (Customer A) which made up 10.8%, 12.5% and 10.0% of the Company's lease rental income for the years ended December 31, 2010, 2009 and 2008, respectively, no other single lessees made up greater than 10% of the Company's lease rental income for each those years. One single lessee (Customer A) accounted for 13.5% of the Company's accounts receivable, net as of December 31, 2010 and two single lessees (Customer B and Customer A) accounted for 19.4% and 16.1%, respectively, of the Company's accounts receivable, net as of December 31, 2009.

Total fleet lease rental income differs from reported lease rental income in that total fleet lease rental income comprises revenue earned from leases on containers in the Company's total fleet, including revenue earned by the Owners from leases on containers in its managed fleet, while the Company's reported lease rental income only comprises income associated with its owned fleet. The Company's largest customer represented approximately 11.1% and 12.1% of the Company's total fleet's 2010 and 2009 leasing billings, respectively. The Company had no other customer that individually accounted for over 10% of the lease billings of the Company's total fleet in 2010 and 2009 and no customer that individually accounted for over 10% of the lease billings of the Company's total fleet in 2008. The Company currently has containers on-hire to more than 400 customers. The Company's customers are mainly international shipping lines, but the Company also leases containers

(All currency expressed in U.S. dollars in thousands)

to freight forwarding companies and the U.S. military. The Company's five largest customers accounted for approximately 32.3%, 34.8% and 34.0% of the Company's total fleet's 2010, 2009 and 2008 leasing billings, respectively. For the fiscal years ended December 31, 2010, 2009 and 2008, revenue from the Company's 25 largest container lessees by lease billings represented 76.7%, 74.8% and 75.9% of the Company's total fleet's container lease billings, respectively, with revenue from the Company's single largest container lessee accounting for $52.7 million, $51.4 million and $44.7 million or 11.1%, 12.1% and 9.8% of the Company's total fleet's container lease billings during the respective periods. A default by any of these major customers could have a material adverse impact on the Company's business, results from operations and financial condition.

As of December 31, 2010 and 2009, approximately 95.1% and 95.8%, respectively, of the Company' accounts receivable for its total fleet were from container lessees and customers outside of the U.S. As of December 31, 2010 and 2009, approximately 99.4% and 99.8% of the Company's finance lease receivables for its total fleet were from container lessees and customers outside of the U.S. Except for the countries outside of the U.S. noted in the table below, customers in no other single countries made up greater than 10% of the Company's total fleet container lease billings for the fiscal years ended December 31, 2010, 2009 and 2008.

Country	2010	2009	2008
People's Republic of China	20.6%	18.8%	20.8%
France	11.4%	12.4%	n/a
Taiwan	n/a	10.7%	13.2%

(m) Fair Value of Financial Instruments

The Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements when the fair value is different from the book value of those financial instruments. The Company's financial instruments include cash and cash equivalents, restricted cash, accounts receivable and payable, net investment in direct financing and sales-type leases, due from affiliates, net, container contracts payable, due to owners, net, debt and interest rate swaps. At December 31, 2010 and 2009, the fair value of the Company's financial instruments approximates the related book value of such instruments except that, the fair value of net investment in direct financing and sales-type leases (including the short-term balance) was approximately $88,904 and $74,698 at December 31, 2010 and 2009, respectively, compared to a book value of $91,341 and $80,551 at December 31, 2010 and 2009, respectively, and the fair value of long-term debt (including current maturities) based on the borrowing rates available to the Company was approximately $869,596 and $639,591 at December 31, 2010 and 2009, respectively, compared to a book value of $889,197 and $686,896 at December 31, 2010 and 2009, respectively.

(n) Derivative Instruments

The Company has entered into various interest rate swap and cap agreements to mitigate its exposure associated with its variable rate debt. The swap agreements involve payments by the Company to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate ("LIBOR"). The differentials between the fixed and variable rate payments under these agreements are recognized in realized (losses) gains on derivative instruments, net in the consolidated statement of income.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

As of the balance sheet dates, none of the derivative instruments is designated by the Company for hedge accounting. The fair value of the derivative instruments is measured at each balance sheet date and the change in fair value is recorded in the consolidated statements of income as unrealized (losses) gains on interest rate swaps, net.

(o) Share Options and Restricted Share Units

The Company estimates the fair value of all employee share options awarded under its 2007 Share Incentive Plan (the "2007 Plan") on the grant date using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's consolidated statements of income.

The Company uses the Black-Scholes-Merton ("Black-Scholes") option-pricing model as a method for determining the estimated fair value for employee share option awards. Compensation expense for employee share awards is recognized on a straight-line basis over the vesting period of the award. Share-based compensation expense of $5,457, $3,493 and $3,022 was recorded as a part of long-term incentive compensation for the years ended December 31, 2010, 2009 and 2008 for share options and restricted share units awarded to employees under the 2007 Plan.

(p) Comprehensive Income (Loss)

The Company reports changes in equity from all sources. The Company discloses the effect of its foreign currency translation adjustment as a component of other comprehensive income (loss).

(q) Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management evaluates its estimates on an ongoing basis, including those related to the container rental equipment, intangible assets, accounts receivable, income taxes, and accruals.

These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities. Actual results could differ from those estimates under different assumptions or conditions.

(r) Reclassifications

Certain reclassifications of 2009 amounts have been made in order to conform with the 2010 financial statement presentation. On the Company's consolidated balance sheet for the year ended December 31, 2009, containers, net of $9,756 was reclassified to containers held for sale and containers for resale of $1,271 was reclassified as trading containers. On the Company's consolidated income statements for the years ended December 31, 2009 and 2008, gain on lost military containers, net of $865 and $2,252, respectively, was reclassified as $918 and $2,063 of trading container sales proceeds, respectively, $761 and $2,174 of gains on sale of containers, net, respectively, and $814 and $1,985 of cost of trading containers sold, respectively.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(s) Net income per share

Basic net income per share is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted net income per share reflects the potential dilution that could occur if all outstanding share options were exercised or converted into common shares. For the years ended December 31, 2010, 2009 and 2008, 18,286, 1,062,438 and 1,038,624 share options were excluded, respectively from the computation of diluted earnings per share because they were anti-dilutive under the treasury stock method. A reconciliation of the numerator and denominator of basic earnings per share ("EPS") with that of diluted EPS for the years ended December 31, 2010, 2009 and 2008 is presented as follows:

Share amounts in thousands	2010	2009	2008
Numerator			
Net income attributable to Textainer Group Holdings Limited common shareholders—basic and diluted EPS	$120,031	$90,776	$85,241
Denominator			
Weighted average common shares outstanding—basic	48,108	47,761	47,605
Dilutive share options and restricted share units	1,199	424	222
Weighted average common shares outstanding—diluted	$ 49,307	$48,185	$47,827
Net income attributable to Textainer Group Holdings Limited common shareholders per common share			
Basic	$ 2.50	$ 1.90	$ 1.79
Diluted	$ 2.43	$ 1.88	$ 1.78

(t) Fair value measurements

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The Company uses the exchange price notion, which is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. Therefore, the definition focuses on the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price).

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2010			
Assets			
Interest rate swaps	$ —	$ 1,320	$ —
Total	$ —	$ 1,320	$ —
Liabilities			
Interest rate swaps	$ —	$ 13,581	$ —
Total	$ —	$ 13,581	$ —
December 31, 2009			
Assets			
Interest rate swaps	$ —	$ 731	$ —
Total	$ —	$ 731	$ —
Liabilities			
Interest rate swaps	$ —	$ 8,971	$ —
Total	$ —	$ 8,971	$ —

The following table summarizes the Company's assets measured at fair value on a non-recurring basis as of December 31, 2010 and 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Years Ended December 31, 2010 and 2009 Total Impairments (2)
December 31, 2010				
Assets				
Containers held for sale (1)	$ —	$ 376	$ —	$ 1,602
Total	$ —	$ 376	$ —	$ 1,602
December 31, 2009				
Assets				
Containers held for sale (1)	$ —	$ 2,411	$ —	$ 1,973
Total	$ —	$ 2,411	$ —	$ 1,973

(1) Represents the carrying value of containers included in containers held for sale in the consolidated balance sheets that have been impaired to write down the value of the containers to their estimated fair value less cost to sell.

(2) Included in depreciation expense in the accompanying consolidated statements of income.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The following table below presents additional information about liabilities measured at fair value for which Level 3 inputs were utilized to determine fair value for the year ended December 31, 2009:

	Asset	Liability
Balance as of December 31, 2008	$—	$ 19,387
Unrealized losses, net (1)	—	(3,903)
Transfer out of Level 3	—	(15,484)
Balance as of December 31, 2009	$—	$ —

(1) Included in unrealized (losses) gains on interest rate swaps, net in the consolidated income statement.

When the Company is required to write down the cost basis of its containers identified for sale to fair value less cost to sell, the Company measures the fair value of its containers identified for sale under a Level 2 input. The Company relies on its recent sales prices for identical or similar assets in markets, by geography, that are active. The Company records impairments to write down the value of containers identified for sale to their estimated fair value less cost to sale.

The Company measures the fair value of its $460,120 notional amount of interest rate swaps under a Level 2 input. The Company changed from measuring the fair value of its interest rate swaps under a Level 3 input to a Level 2 input during the three months ended June 30, 2009 because it began determining the fair value estimate using observable market inputs. In addition, the liability valuation reflects the credit standing of the Company and the counterparties to the interest rate swaps. The valuation technique utilized by the Company to calculate the fair value of the interest rate swaps was the income approach. This approach represents the present value of future cash flows based upon current market expectations. The Company's interest rate swap agreements had a net fair value liability of $12,261 and $8,240 as of December 31, 2010 and 2009, respectively. The credit valuation adjustment (which was a reduction in the liability) was determined to be $45 and $10 as of December 31, 2010 and 2009, respectively. The change in fair value for the years ended December 2010, 2009 and 2008 of $(4,021), $11,147 and ($15,105), respectively, was recorded in the consolidated statement of income as unrealized (losses) gains on interest rate swaps, net.

(u) Recently Issued Accounting Standards

The FASB issued ASU 2009-13 *Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue* Arrangements, which formally codifies the FASB's ratification in September 2009 of Emerging Issues Task Force ("EITF") Issue No. 08-1, *Revenue Arrangements with Multiple Deliverables*. ASU 2009-13 updates the current guidance pertaining to multiple-element revenue arrangements included in the FASB's ASC Topic 605-25 *Revenue Recognition—Multiple-Element Arrangements* , which originated primarily from EITF Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables* . ASU 2009-13 will be effective for annual reporting periods beginning January 1, 2011 for calendar-year entities. The Company does not believe that the adoption of ASU 2009-13 will have a material effect on its consolidated financial position, results of operations or cash flows.

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 amends Subtopic 820-10 with new disclosure requirements and clarification of existing disclosure requirements. New disclosures required include the amount of significant transfers in and out of

(All currency expressed in U.S. dollars in thousands)

levels 1 and 2 fair value measurements and the reasons for the transfers. In addition, the reconciliation for level 3 activity will be required on a gross rather than net basis. ASU 2010-06 provides additional guidance related to the level of disaggregation in determining classes of assets and liabilities and disclosures about inputs and valuation techniques. The amendments are effective for annual or interim reporting periods beginning after December 15, 2009, except for the requirement to provide the reconciliation for level 3 activity on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. Accordingly, the Company adopted ASU 2010-6, with the exception of the reconciliation requirements for level 3 activity, on January 1, 2010, which had no effect on the Company's consolidated financial position, results of operations or cash flows. The adoption of the reconciliation disclosure requirements of ASU 2010-6 for level 3 activity will not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In July 2010, the FASB issued ASU 2020-10, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses (Topic 310)* ("ASU 2010-20"). The main objective of ASU 2010-20 is to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. In the aftermath of the global economic crisis, effective financial reporting has become the subject of worldwide attention, with a focus on the urgent need for improved accounting standards in a number of areas, including financial instruments. ASU 2010-20 is intended to provide additional information to assist financial statement users in assessing an entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. Currently, a high threshold for recognition of credit impairments impedes timely recognition of losses. ASU 2010-20 was effective for interim and annual reporting periods ending on or after December 15, 2010 for disclosures as of the end of a reporting period and will be effective for interim and annual reporting periods beginning on or after December 15, 2010 for disclosures about activity that occurs during a reporting period. Accordingly, the Company adopted the disclosures required by ASU 2010-20 at the end of a reporting period as of December 31, 2010. The Company does not believe the adoption of disclosures required by ASU 2010-20 for activity that occurs during a reporting period will have a material effect on its consolidated financial position, results of operations or cash flows.

(2) Container Purchases

On November 1, 2010, the Company purchased approximately 23,400 containers that it had been managing for an institutional investor, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for a total purchase price equal to $36,408. The total purchase price, which was allocated based on the fair value of the assets and liabilities acquired, was recorded as follows:

Containers, net of accumulated depreciation	$33,978
Other net assets	2,430
	$ 36,408

On October 1, 2009, the Company purchased approximately 30,900 containers that it had been managing for Amphibious Container Leasing Limited ("Amficon") for $63,676. No other assets or liabilities were purchased.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

On August 1, 2009, the Company purchased approximately 28,700 containers that it had been managing for an institutional investor, including related accounts receivable, due from owners, net, accounts payable and accrued expenses for a total purchase price equal to $34,173. The total purchase price, which was allocated based on the fair value of the assets and liabilities acquired, was recorded as follows:

Containers, net of accumulated depreciation	$33,015
Other net assets	1,158
Purchase price	$34,173

(3) Purchase-leaseback Transactions

On March 31, 2009 and July 16, 2009, the Company completed purchase-leaseback transactions for approximately 5,900 and 28,900 containers, respectively, with a shipping line for total purchase prices of $1,361 and $11,914, respectively. The purchase price and leaseback rental rates were below market rates. The prepayment of the lease by the lessee by selling the containers at below-market prices to the Company was recorded as follows:

Containers, net of accumulated depreciation	$ 40,291
Deferred revenue—operating lease contracts	(27,016)
Purchase price	$ 13,275

The deferred revenue is being amortized to lease rental income over the three-year term of the lease contract. The balance of deferred revenue related to these purchase-leaseback transactions as of December 31, 2010 of $9,849 reflects reductions resulting from the amortization of the deferred revenue recorded at the time of purchase and reversals of deferred revenue related to containers that were returned by the lessee since the origination of the purchase-leaseback transactions that have been sold.

(4) Transactions with Affiliates and Owners

Amounts due from affiliates, net generally result from cash advances and the payment of affiliated companies' administrative expenses by the Company on behalf of such affiliates. Balances are generally paid within 30 days.

Management fees, including acquisition fees and sales commissions for the years ended December 31, 2010, 2009 and 2008 were as follows:

	2010	2009	2008
Fees from affiliated Owner	$ 4,837	$ 4,727	$ 6,014
Fees from unaffiliated Owners	22,410	18,668	20,807
Fees from Owners	27,247	23,395	26,821
Other fees	1,890	1,833	1,782
Total management fees	$29,137	$25,228	$ 28,603

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

Due to owners, net represents lease rentals collected on behalf of and payable to Owners, net of direct expenses and management fees receivable. Due to owners, net at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Affiliated Owner	$ 885	$ 1,114
Unaffiliated Owners	16,660	13,027
Total due to Owners, net	$17,545	$14,141

(5) Direct Financing and Sales-type Leases

The Company leases containers under direct financing and sales-type leases. The Company had 52,485 and 43,445 containers under direct financing and sales-type leases as of December 31, 2010 and 2009, respectively.

The components of the net investment in direct financing and sales-type leases, which are reported in the Company's Container ownership segment and included in accounts receivable, net in the consolidated balance sheets, as of December 31, 2010 and 2009 were as follows:

	2010	2009
Future minimum lease payments receivable	$100,559	$96,550
Residual value of containers on sales-type leases	9,390	1,595
Less unearned income	(18,608)	(17,594)
Net investment in direct financing and sales-type leases	$ 91,341	$ 80,551
Amounts due within one year	$ 19,117	$ 17,225
Amounts due beyond one year	72,224	63,326
Net investment in direct financing and sales-type leases	$ 91,341	$ 80,551

The Company maintains detailed credit records about its container lessees. The Company's credit policy sets different maximum exposure limits for its container lessees. The Company uses various credit criteria to set maximum exposure limits rather than a standardized internal credit rating. Credit criteria used by the Company to set maximum exposure limits may include, but are not limited to, container lessee trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, including those from Dynamar B.V. and Lloyd's Marine Intelligence Unit (common credit reporting agencies used in the maritime sector), operational history and financial strength. The Company monitors its container lessees' performance and its lease exposures on an ongoing basis, and its credit management processes are aided by the long payment experience the Company has had with most of its container lessees and the Company's broad network of long-standing relationships in the shipping industry that provide the Company current information about its container lessees.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

If the aging of current billings for the Company's direct financing and sales-type leases included in accounts receivable, net were applied to the related balances of the unbilled future minimum lease payments receivable component of the Company's net investment in direct finance leases and sales-type leases as of December 31, 2010, the aging would be as follows:

1-30 days past due	$ 7,518
31-60 days past due	704
61-90 days past due	197
Greater than 90 days past due	124
Total past due	8,543
Current	92,016
Total future minimum lease payments	$100,559

The Company maintains allowances, if necessary, for doubtful accounts and estimated losses resulting from the inability of its lessees to make required payments under direct financing and sales-type leases based on, but not limited to, each lessee's payment history, management's current assessment of each lessee's financial condition and the adequacy of the fair value of containers that collateralize the leases compared to the book value of the related net investment in direct financing and sales-type leases. Management does not set an internal credit score or obtain an external credit score as part of estimating the allowance as of period end. Based on management's assessment, there was no allowance for doubtful accounts recorded related to the Company's net investment in direct financing and sales-type leases as of December 31, 2010.

The following is a schedule by year of future minimum lease payments receivable under these direct financing and sales-type leases as of December 31, 2010:

Year ending December 31:	
2011	$ 25,433
2012	25,437
2013	18,359
2014	14,325
2015 and thereafter	17,005
Total future minimum lease payments receivable	$100,559

Lease rental income includes income earned from direct financing and sales-type leases in the amount of $7,303, $10,691 and $6,499 for the years ended December 31, 2010, 2009 and 2008 respectively.

(6) Containers and Fixed Assets

Containers, net at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Containers	$1,799,050	$ 1,405,379
Less accumulated depreciation	(361,791)	(343,513)
Containers, net	$1,437,259	$1,061,866

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

Trading containers had carrying values of $404 and $1,271 as of December 31, 2010 and 2009 and are not subject to depreciation. Containers held for sale that had carrying values of $2,883 and $9,756 as of December 31, 2010 and 2009 are also not subject to depreciation. All owned containers are pledged as collateral for debt as of December 31, 2010 and 2009.

Fixed assets, net at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Computer equipment and software	$ 6,965	$ 6,852
Office furniture and equipment	1,766	1,796
Automobiles	136	176
Leasehold improvements	1,757	1,674
	10,624	10,498
Less accumulated depreciation	(8,820)	(8,512)
Fixed assets, net	$ 1,804	$ 1,986

(7) Intangible Assets

On June 12, 2009, the Company purchased for $2,954 the exclusive rights to manage the approximately 154,000 TEU container fleet of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively "Capital Intermodal"). The purchase price is being amortized over the expected approximate 11-year life of the contract on a pro-rata basis to the expected management fees. Amortization expense for the years ended December 31, 2010 and 2009 was $254 and $99, respectively.

On April 15, 2009, the Company purchased the exclusive rights to manage the approximately 145,000 TEU container fleet of Amficon for $10,600. The purchase price is being amortized over the expected approximate 11-year life of the contract on a pro-rata basis to the expected management fees. On October 1, 2009, the Company purchased approximately 53,000 TEU of the containers that it had been managing for Amficon for $63,676 cash and relinquished management rights for those containers previously recorded as an intangible asset of $3,378. Amortization expense for the years ended December 31, 2010 and 2009 was $641 and $814, respectively.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The changes in the carrying amount of intangible assets during the years ended December 31, 2010, 2009 and 2008 are as follows:

Balance as of December 31, 2007	$ 72,646
Amortization expense of step acquisition adjustment related to lease contracts (1)	(916)
Amortization expense	(6,979)
Balance as of December 31, 2008	64,751
Additions arising from the Amficon, Capital Intermodal and other transactions	13,795
Amortization expense of step acquisition adjustment related to lease contracts (1)	(1,396)
Reduction arising from the relinquishment of management rights from the purchase of containers from Amficon	(3,378)
Amortization expense	(7,080)
Balance as of December 31, 2009	66,692
Amortization expense of step acquisition adjustment related to lease contracts (1)	(26)
Amortization expense	(6,544)
Balance as of December 31, 2010	$ 60,122

(1) Represents a step acquisition adjustment related to the Company's wholly owned subsidiary, Textainer Limited's ("TL") purchase of 3,000 additional Class A shares of TMCL on November 1, 2007. The adjustment was recorded to increase the balance of lease contracts to an amount that equaled the fair market value of the lease contracts on the date of the acquisition.

The following is a schedule, by year, of future amortization of intangible assets as of December 31, 2010:

Year ending December 31:	
2011	$ 6,612
2012	7,113
2013	7,396
2014	7,465
2015 and thereafter	31,536
Total future amortization of intangible assets	$60,122

(8) Accrued Expenses

Accrued expenses at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Accrued compensation	$ 6,266	$ 4,042
Direct container expense	2,557	3,106
Interest payable	1,580	1,045
Other	1,585	1,547
Total accrued expenses	$11,988	$9,740

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(9) Income Taxes

The Company is not subject to taxation in its country of incorporation; however, the Company is subject to taxation in certain other jurisdictions due to the nature of the Company's operations. The Company estimates its tax liability based upon its understanding of the tax laws of the various countries in which it operates. Income tax expense (benefit) for the years ended December 31, 2010, 2009 and 2008 consisted of the following:

	2010	2009	2008
Current			
Bermuda	$ —	$ —	$ —
Foreign	3,187	3,657	972
	3,187	3,657	972
Deferred			
Bermuda	—	—	—
Foreign	1,306	(186)	(1,843)
	1,306	(186)	(1,843)
	$ 4,493	$ 3,471	$ (871)

The components of income before income taxes and noncontrolling interest were as follows:

	2010	2009	2008
Bermuda sources	$ —	$ —	$ —
Foreign sources	138,257	108,801	93,051
	$ 138,257	$ 108,801	$ 93,051

A reconciliation of the differences between the Bermuda statutory income tax rate and the effective tax rate as provided in the consolidated statements of income is as follows:

	2010	2009	2008
Bermuda tax rate	0.00%	0.00%	0.00%
Foreign tax rate	1.63%	1.05%	-1.60%
Tax uncertainties	1.62%	2.14%	0.66%
	3.25%	3.19%	-0.94%

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The tax effects of temporary differences that give rise to significant portions of the current and non-current deferred tax assets and deferred tax liabilities at December 31, 2010 and 2009 are presented below:

	2010	2009
Current deferred tax assets		
Other	$ 1,895	$ 1,463
Current deferred tax assets	1,895	1,463
Non-current deferred tax assets		
Net operating loss	5,797	5,495
Other	1,220	1,374
Non-current deferred tax assets	7,017	6,869
Non-current deferred tax liabilities		
Containers, net	15,182	13,243
Other	467	520
Non-current deferred tax liabilities	15,649	13,763
Net deferred tax liability	$ 6,737	$ 5,431

In assessing the realizability of deferred tax assets, the Company's management considers whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company's management considers the projected future taxable income for making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Company's management believes it is more likely than not the Company will realize the benefits of these deductible differences noted above.

On October 1, 2007, the Company purchased an additional interest in TMCL, a partnership for US tax purposes. During the year ended December 31, 2008, the Company recognized a fair market value adjustment to its container equipment for U.S tax purposes and recorded a deferred tax asset of $3,003 as an adjustment to the original purchase accounting.

The Company has net operating loss carry-forwards of $17,001 that will begin to expire from December 31, 2017 through December 31, 2030 if not utilized.

The accompanying consolidated financial statements do not reflect the income taxes that would be payable to foreign taxing jurisdictions if the earnings of a group of corporations operating in those jurisdictions were to be transferred out of such jurisdictions, because such earnings are intended to be permanently reinvested in those countries. At December 31, 2010, cumulative earnings of approximately $35,091 would be subject to income taxes of approximately $10,450 if such earnings of foreign corporations were transferred out of such jurisdictions in the form of dividends.

The Company's foreign tax returns, including the United States, State of California, State of New Jersey, State of Texas, State of Illinois, Malaysia, Singapore, and United Kingdom, are subject to examination by the various tax authorities. With the exception of two foreign tax returns of two foreign subsidiaries, the Company's foreign tax returns are no longer subject to examinations by taxing authorities for years before 2004.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The 2004 United States tax return for TGH's subsidiary Textainer Equipment Management (U.S.) Limited ("TEMUS") and the 2004 and 2005 United States tax returns for TGH's subsidiary TL were examined by the Internal Revenue Service (the "IRS"). In May 2008, the Company received notification from the IRS that they had completed their examination and made no changes to the amount of tax reported. As a result, the Company reduced the amount of unrecognized tax benefits and recognized a tax provision reduction during the year ended December 31, 2008. The Company's effective tax rate reflects the recognition of this $4,191 tax provision reduction.

In May of 2009, the Company received notification from the Internal Revenue Service that the 2007 and 2008 United States tax return for TEMUS had been selected for examination. In May 2010, the Company received notification from the IRS that they had completed their examination, making changes to the 2007 and 2008 taxable income of TEMUS which did not significantly alter the Company's income tax for these years. As a result, the Company reduced the amount of unrecognized tax benefits and recognized a tax provision reduction during the year ended December 31, 2010. The Company's effective tax rate reflects the recognition of this $2,259 tax provision reduction.

A reconciliation of the beginning and ending unrecognized tax benefit amounts for 2010 and 2009 are as follows:

Balance at January 1, 2009	$ 14,692
Increases related to prior year tax positions	152
Decreases related to prior year tax positions	—
Increases related to current year tax positions	3,211
Settlements	—
Lapse of statute of limitations	(967)
Balance at December 31, 2009	17,088
Increases related to prior year tax positions	—
Decreases related to prior year tax positions	(2,259)
Increases related to current year tax positions	8,007
Settlements	—
Lapse of statute of limitations	(3,287)
Balance at December 31, 2010	$19,549

If the unrecognized tax benefits of $19,549 at December 31, 2010 were recognized, tax benefits in the amount of $19,107 would reduce our annual effective tax rate. The Company believes the total amount of unrecognized tax benefit as of December 31, 2010 will decrease by $4,079 in the next twelve months due to expiration of the statute of limitations, of which $3,993 would reduce our annual effective tax rate.

Interest and penalty (benefit) expense recorded during 2010 amounted to $(381) and $0, respectively. Total accrued interest and penalties as of December 31, 2010 were $649 and $0, respectively, and were included in non-current income taxes payable. Interest and penalty expense (benefit) recorded during 2009 amounted to $115 and $(41), respectively. Total accrued interest and penalties as of December 31, 2009 were $1,031 and $0, respectively, and were included in non-current income taxes payable.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(10) Revolving Credit Facilities, Bonds Payable and Secured Debt Facility, and Derivative Instruments

The following represents the Company's debt obligations as of December 31, 2010 and 2009:

Revolving Credit Facilities, Bonds Payable and Secured Debt Facility	2010	2009
Revolving Credit Facility, weighted average interest at 1.29% and 1.25% at December 31, 2010 and 2009, respectively	$ 104,000	$ 79,000
2005-1 Bonds, interest at 0.79% and 0.76% at December 31, 2010 and 2009, respectively	227,070	278,375
Secured Debt Facility, weighted average interest at 3.01% and 1.48% at December 31, 2010 and 2009, respectively	558,127	329,521
Total debt obligations	$889,197	$686,896
Amount due within one year	$ 51,500	$ 68,000
Amounts due beyond one year	$ 837,697	$ 618,896

Revolving Credit Facilities

A Company subsidiary, TL, has a credit agreement with a group of banks that provides for a revolving credit facility with an aggregate commitment amount of up to $205,000 (which includes a $50,000 letter of credit facility) (the "Credit Facility"). The Credit Facility provides for payments of interest only during its term beginning on its inception date through April 22, 2013 when all borrowings are due in full. Interest on the outstanding amount due under the Credit Facility at December 31, 2010 was based either on the U.S. prime rate or LIBOR plus a spread between 0.5% and 1.5%, which varies based on TGH's leverage. Total outstanding principal under the Credit Facility was $104,000 and $79,000 as of December 31, 2010 and 2009, respectively. The Company had no outstanding letters of credit under the Credit Facility as of December 31, 2010 and 2009.

The Credit Facility is secured by the Company's containers and under the terms of the Credit Facility, the total outstanding principal may not exceed the lesser of the commitment amount and a formula based on the Company's net book value of containers and outstanding debt. The additional amount available for borrowing under the Credit Facility, as limited by the Company's borrowing base, was $36,757 as of December 31, 2010.

TGH acts as a guarantor of the Credit Facility. The Credit Facility contains restrictive covenants, including limitations on certain liens, indebtedness and investments. In addition, the Credit Facility contains certain restrictive financial covenants on TGH's tangible net worth, leverage, debt service coverage and on TL's leverage and interest coverage. The Company was in compliance with all such covenants at December 31, 2010. There is a commitment fee of 0.20% to 0.30% on the unused portion of the Credit Facility, which varies based on the leverage of TGH and is payable in arrears. In addition, there is an agent's fee, which is payable annually in advance.

Bonds Payable and Secured Debt Facility

In 2005, one of the Company's subsidiaries, TMCL, issued $580,000 in variable rate amortizing bonds (the "2005-1 Bonds") to institutional investors. The $580,000 in 2005-1 Bonds represent fully amortizing notes payable on a straight-line basis over a scheduled payment term of 10 years, but not to exceed the

maximum payment term of 15 years. During the year ended December 31, 2009, the Company repurchased $65,000 of aggregate original face amount or $39,917 in aggregate outstanding principal amount of its 2005-1 Bonds for $20,234. As a result of these purchases, the Company recognized a gain on early extinguishment of debt during the year ended December 31, 2009 of $19,938, net of the write-off of deferred debt financing costs of $285. Based on the outstanding principal amount at December 31, 2010 and under a 10-year amortization schedule, $51,500 in 2005-1 Bond principal will amortize per year. Under the terms of the 2005-1 Bonds, both principal and interest incurred are payable monthly. TMCL is permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2005-1 Bonds. Ultimate payment of the 2005-1 Bond principal has been insured by Ambac Assurance Corporation and the cost of this insurance coverage, which is equal to 0.275% on the outstanding principal balance of the 2005-1 Bonds, is recognized as incurred on a monthly basis. The interest rate for the outstanding principal balance of the 2005-1 Bonds equals one-month LIBOR plus 0.25%. The target final payment date and legal final payment date are May 15, 2015 and May 15, 2020, respectively.

The Company's primary ongoing container financing requirements are funded by revolving notes issued by TMCL. On June 29, 2010, TMCL amended certain terms of the Indenture and prepaid its Series 2001-01 Notes, which had previously been issued under the Indenture and under which TMCL had an available commitment of $475,000, and issued a new series of notes, the Series 2010-1 Notes (the "Secured Debt Facility") under which there was a commitment of $750,000 as of December 31, 2010 (but TMCL exercised an option to increase the maximum commitment by $100,000 for a total commitment of $850,000 on March 15, 2011). The additional amount (when taking into account the prepayment and termination of the Series 2000-1 Notes and issuance of the Series 2010-1 Notes in lieu therof) available for borrowing under the Secured Debt Facility, as limited by the Company's borrowing base, was $146,122 as of December 31, 2010. The Secured Debt Facility provides for payments of interest only during the period from its inception until its Conversion Date (currently set at June 29, 2012), with a provision for the Secured Debt Facility to amortize over a 10-year, but not to exceed the maximum term of a 15-year period beginning on the Conversion Date. The interest rate on the Secured Debt Facility, payable monthly in arrears, is LIBOR plus 2.75% during the revolving period prior to the Conversion Date. There is also a commitment fee of 0.75% on the unused portion of the Secured Debt Facility until December 31, 2010, which is payable monthly in arrears. After December 31, 2010, during the remainder of the two-year revolving period, the commitment fee on the unused portion of the Secured Debt Facility will be 0.75% if total borrowings under the Secured Debt Facility equal 50% or more of the total commitment or 1.00% if total borrowings are less than 50% of the total commitment. If the Secured Debt Facility is not refinanced or renewed prior to the new Conversion Date, the interest rate would increase based on pre-agreed terms during the 10 or 15 year amortization period that follows.

Under the terms of the 2005-1 Bonds and Secured Debt Facility, the total outstanding principal of these two programs may not exceed an amount (the "Asset Base"), which is calculated by a formula based on TMCL's book value of equipment, restricted cash and direct financing and sales-type leases. The total obligations under the 2005-1 Bonds and the Secured Debt Facility are secured by a pledge of TMCL's assets. TMCL's total assets amounted to $1,370,868 as of December 31, 2010. The 2005-1 Bonds and the Secured Debt Facility also contain restrictive covenants regarding the average age of TMCL's container fleet, certain earnings ratios, ability to incur other obligations and to distribute earnings, TGH's container management subsidiary net income and debt levels, and overall Asset Base minimums, in which TMCL and TGH's container management subsidiary were in full compliance at December 31, 2010.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The following is a schedule by year, of future scheduled repayments, as of December 31, 2010:

	Revolving Credit Facility	2005-1 Bonds(1)	Secured Debt Facility(1)
Year ending December 31:			
2011	$ —	$ 51,500	$ —
2012	—	51,500	27,925
2013	104,000	51,500	55,850
2014	—	51,500	55,850
2015 and thereafter	—	21,458	418,875
	$ 104,000	$ 227,458	$558,500

(1) Future scheduled payments for the 2005-1 Bonds and the Secured Debt Facility exclude step acquisition adjustments of $388 and $373, respectively, related to TL's purchase of 3,000 additional shares of TMCL on November 1, 2007. The adjustments were recorded to reduce the balance of both the 2005-1 Bonds and the Secured Debt Facility to an amount that equaled the fair market value of the debt on the date of the acquisition.

The future repayments schedule for the Secured Debt Facility is based on the assumption that the facility will not be extended on its Conversion Date and will then convert into a ten-year fully amortizing note payable.

Derivative Instruments

The Company has entered into several interest rate cap and swap agreements with several banks to reduce the impact of changes in interest rates associated with its bonds payable and Secured Debt Facility. The following is a summary of the Company's derivative instruments as of December 31, 2010:

Derivative instruments	Notional amount
Interest rate cap contracts with several banks with fixed rates between 3.23% and 5.63% per annum, nonamortizing notional amounts, with termination dates through November 2015	$ 135,100
Interest rate swap contracts with several banks, with fixed rates between 0.97% and 3.96% per annum, amortizing notional amounts, with termination dates through December 2015	460,120
Total notional amount as of December 31, 2010	$595,220

During January 2011, the Company entered into an interest rate swap contract with a bank, with a one-month LIBOR rate fixed at 1.78% per annum, in amortizing notional amount with initial notional amount of $70,000 and a term from January 18, 2011 through January 15, 2015.

During January 2011, the Company entered into an interest rate cap contract with a bank, which caps one-month LIBOR fixed rate at 3.26% per annum, in non-amortizing notional amount of $10,000 and a term from January 18, 2011 through January 15, 2012.

During February 2011, the Company entered into an interest rate swap contract with a bank, with a one-month LIBOR rate fixed at 3.26% per annum, in non-amortizing notional amount of $30,000 and a term from February 15, 2011 through May 15, 2011.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

During March 2011, the Company entered into an interest rate cap contract with a bank, which caps one-month LIBOR fixed rate at 3.26% per annum, in non-amortizing notional amount of $50,000 and a term from March 15, 2011 through June 15, 2011.

During March 2011, the Company entered into an interest rate cap contract with a bank, which caps one-month LIBOR fixed rate at 3.26% per annum, in non-amortizing notional amount of $10,000 and a term from March 15, 2011 through June 15, 2011.

The Company's interest rate swap agreements had a net fair value asset and liability of $1,320 and $13,581, respectively, as of December 31, 2010 and a fair value asset and liability of $731 and $8,971, respectively, as of December 31, 2009, which are inclusive of counterparty risk. The primary external risk the Company's interest rate swap agreements is the counterparty credit exposure, as defined as the ability of a counterparty to perform its financial obligations under a derivative contract. The Company monitors its counterparties' credit ratings on an on-going basis and they were in compliance with the related derivative agreements at December 31, 2010. The Company does not have any master netting arrangements with its counterparties, The change in fair value was recorded in the consolidated statement of income as unrealized (losses) gains on interest rate swaps, net.

(11) Segment Information

As described in Note 1(a) "Nature of Operations", the Company operates in three reportable segments: Container ownership, Container management and Container resale. In 2010, the Company reviewed its reportable segments and determined that its previously reported Military management segment was not materially different from its Container management segment. Accordingly, the Company reclassified balances that were previously reported in its Military management segment into its Container management segment. The following tables show segment information for the years ended December 31, 2010, 2009 and 2008, reconciled to the Company's income before taxes as shown in its consolidated statements of income:

2010	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 234,577	$ 1,250	$ —	$ —	$ —	$ 235,827
Management fees	—	48,028	10,086	—	(28,977)	29,137
Trading container sales proceeds	—	—	11,291	—	—	11,291
Gains on sale of containers, net	27,617	7	—	—	—	27,624
Total revenue	$ 262,194	$ 49,285	$ 21,377	$ —	$(28,977)	$ 303,879
Depreciation expense	$ 60,398	$ 779	$ —	$ —	$ (2,205)	$ 58,972
Interest expense	$ 18,151	$ —	$ —	$ —	$ —	$ 18,151
Unrealized losses on interest rate swaps, net	$ 4,021	$ —	$ —	$ —	$ —	$ 4,021
Segment income before taxes	$ 119,772	$ 15,901	$ 7,995	$(2,815)	$ (2,596)	$ 138,257
Total assets	$1,660,626	$114,060	$ 996	$ 3,290	$(31,765)	$1,747,207
Purchases of long-lived assets	$ 504,650	$ 601	$ —	$ —	$ —	$ 505,251

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

2009	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 188,431	$ 1,348	$ —	$ —	$ —	$ 189,779
Management fees	—	37,384	9,601	—	(21,757)	25,228
Trading container sales proceeds	—	—	11,843	—	—	11,843
Gains on sale of containers, net	12,114	(3)	—	—	—	12,111
Total revenue	$ 200,545	$ 38,729	$ 21,444	$ —	$ (21,757)	$ 238,961
Depreciation expense	$ 49,596	$ 790	$ —	$ —	$ (1,913)	$ 48,473
Interest expense	$ 11,750	$ —	$ —	$ —	$ —	$ 11,750
Unrealized gains on interest rate swaps, net	$ 11,147	$ —	$ —	$ —	$ —	$ 11,147
Segment income before taxes	$ 95,178	$ 9,981	$ 7,993	$ (2,686)	$ (1,665)	$ 108,801
Total assets	$ 1,259,050	$ 122,381	$ 2,463	$ 2,109	$ (25,980)	$ 1,360,023
Purchases of long-lived assets	$ 157,351	$ 11,790	$ —	$ —	$ —	$ 169,141

2008	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 194,795	$ 3,805	$ —	$ —	$ —	$ 198,600
Management fees	—	44,643	9,113	—	(25,153)	28,603
Trading container sales proceeds	—	—	36,294	—	—	36,294
Gains on sale of containers, net	17,823	(2)	—	—	—	17,821
Total revenue	$ 212,618	$ 48,446	$ 45,407	$ —	$ (25,153)	$ 281,318
Depreciation expense	$ 49,709	$ 748	$ —	$ —	$ (1,557)	$ 48,900
Interest expense	$ 26,227	$ —	$ —	$ —	$ —	$ 26,227
Unrealized losses on interest rate swaps, net	$ 15,105	$ —	$ —	$ —	$ —	$ 15,105
Segment income before taxes	$ 67,908	$ 17,598	$ 13,223	$ (2,563)	$ (3,115)	$ 93,051
Total assets	$ 1,189,272	$ 134,283	$ 2,578	$ 1,812	$ (24,178)	$ 1,303,767
Purchases of long-lived assets	$ 293,889	$ 926	$ —	$ —	$ —	$ 294,815

General and administrative expenses are allocated to the reportable business segments based on direct overhead costs incurred by those segments. Amounts reported in the “Other” column represent activity unrelated to the active reportable business segments. Amounts reported in the “Eliminations” column represent inter-segment management fees between the container management and container ownership segments.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

Geographic Segment Information

The Company's container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from international carriers when the containers are in use and carrying cargo around the world. Substantially all of the Company's leasing related revenue are denominated in U.S. dollars. As all of the Company's containers are used internationally, where no one container is domiciled in one particular place for a prolonged period of time, all of the Company's long-lived assets are considered to be international with no single country of use.

(12) Commitments and Contingencies

(a) Leases

The Company has entered into several operating leases for office space. Rent expense amounted to $1,594, $1,655 and $1,642 for the years ended December 31, 2010, 2009 and 2008, respectively.

Future minimum lease payment obligations under the Company's noncancelable operating leases at December 31, 2010 were as follows:

	Operating leasing
Year ending December 31:	
2011	$ 1,471
2012	1,423
2013	1,303
2014	1,319
2015 and thereafter	2,990
Total	$8,506

(b) Restricted Cash

Restricted interest-bearing cash accounts were established by the Company as additional collateral for outstanding borrowings under the Company's Secured Debt Facility and 2005-1 Bonds. The total balance of these restricted cash accounts was $15,034 and $6,586 as of December 31, 2010 and 2009, respectively.

(13) Share Option and Restricted Share Unit Plans

As of December 31, 2010, the Company maintained one active share option and restricted share unit plan, the 2007 Plan. The 2007 Plan provides for the grant of share options, restricted share units, restricted shares, share appreciation rights and dividend equivalent rights. The 2007 Plan provides for grants of incentive share options only to the Company's employees or employees of any parent or subsidiary of TGH. Awards other than incentive share options may be granted to the Company's employees, directors and consultants or the employees, directors and consultants of any parent or subsidiary of TGH. Under the 2007 Plan, which was approved by the Company's shareholders on September 4, 2007, a maximum of 3,808,371 share awards may be granted under the plan. On February 23, 2010, the Company's Board of Directors approved an increase in the number of shares available for future issuance by 1,468,500 shares, which was approved by the Company's shareholders at the annual meeting of shareholders on May 19, 2010. At December 31, 2010, 1,845,881 shares were available for future issuance under the 2007 Plan.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

Share options are granted at exercise prices equal to the fair market value of the shares on the grant date. Each employee's options vest in increments of 25% per year beginning approximately one year after an option's grant date. Unless terminated pursuant to certain provisions within the share option plans, including discontinuance of employment with the Company, all unexercised options expire ten years from the date of grant.

Beginning approximately one year after a restricted share unit's grant date for each restricted share unit granted in 2007, 2008 and 2009, each employee's restricted share units vest in increments of 15% per year for the first two years, 20% for the third year and 25% for the fourth and fifth year. Beginning approximately one year after a restricted share unit's grant date for each restricted share unit granted in 2010, each employee's restricted share units vest in increments of 25% per year.

The following is a summary of activity in the Company's 2007 Plan for the years ended December 31, 2010, 2009 and 2008:

	Share options (common share equivalents)	Weighted average exercise price
Balances, December 31, 2007	1,044,734	$ 16.50
Options granted during the period	251,418	$ 7.19
Options forfeited during the period	(12,140)	$ 16.50
Balances, December 31, 2008	1,284,012	$ 14.68
Options granted during the period	218,904	$ 16.97
Balances, December 31, 2009	1,502,916	$ 15.01
Options granted during the period	151,687	$ 28.26
Options exercised during the period	(364,046)	$ 15.41
Options forfeited during the period	(32,475)	$ 14.49
Balances, December 31, 2010	1,258,082	$ 16.51
Options exercisable at December 31, 2010	218,202	$ 15.63
Options vested and expected to vest at December 31, 2010	1,211,087	$ 16.39

	Restricted share units	Weighted average grant date fair value
Balances, December 31, 2007	1,042,962	$ 14.12
Share units granted during the period	251,418	$ 4.31
Share units vested during the period	(100)	$ 14.12
Share units forfeited during the period	(12,140)	$ 14.12
Balances, December 31, 2008	1,282,140	$ 12.20
Share units granted during the period	220,397	$ 14.09
Share units vested during the period	(156,031)	$ 14.11
Balances, December 31, 2009	1,346,506	$ 12.28
Share units granted during the period	152,687	$ 25.62
Share units vested during the period	(193,241)	$ 12.20
Share units forfeited during the period	(40,056)	$ 12.04
Balances, December 31, 2010	1,265,896	$ 13.90
Share units outstanding and expected to vest at December 31, 2010	1,184,597	$ 14.06

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

The estimated weighted average grant date fair value of share options granted during 2010, 2009 and 2008 was $9.82, $4.69 and $0.60 per share, respectively. As of December 31, 2010, $12,967 of total compensation cost related to non-vested share option and restricted share unit awards not yet recognized is expected to be recognized over a weighted average period of 2.31 years. The aggregate intrinsic value of all options exercisable and outstanding, which represents the total pre-tax intrinsic value, based on the Company's closing common share price of $28.49 per share as of December 31, 2010 was $2,806. The aggregate intrinsic value is calculated as the difference between the exercise prices of the Company's share options that were in-the-money and the market value of the common shares that would have been issued if those share options were exercised as of December 31, 2010.

The following table summarizes information about share options exercisable and outstanding at December 31, 2010:

	Share options exercisable		Share options outstanding	
	Number of shares (in thousands)	Weighted average exercise price	Number of shares (in thousands)	Weighted average exercise price
Range of per-share exercise prices				
$7.10 - $7.10	19,686	$ 7.10	198,264	$ 7.10
$14.01 - $14.01	1,728	14.01	3,456	14.01
$16.50 - $16.50	196,788	16.50	694,371	16.50
$16.97 - $16.97	—	—	210,304	16.97
$28.26 - $28.26	—	—	151,687	28.26
	218,202	$ 15.63	1,258,082	$ 16.51

The weighted average contractual life of options exercisable and outstanding as of December 31, 2010 was 6.9 years and 7.7 years, respectively.

The fair value of each share option granted under the 2007 Plan was estimated on the date of grant using the Black-Scholes option pricing model for the years ended December 31, 2010, 2009 and 2008 with the following assumptions:

	2010	2009	2008
Risk-free interest rates	2.0%	2.6%	2.5%
Expected terms (in years)	6.3	6.3	6.3
Expected common share price volatilities	50.1%	46.0%	35.3%
Expected dividends	3.8%	5.4%	13.0%
Expected forfeitures	5.0%	5.0%	5.0%

The risk-free interest rate is based on the implied yield on a U.S. Treasury zero-coupon issue with a remaining term equal to the expected term of the share option life. The short-cut method is used to calculate the expected term because the Company does not have historical information to calculate the expected terms. The expected common share price volatility for the 2007 Plan is based on the historical volatility of publicly traded companies within the Company's industry. The dividend yield reflects the estimated future yield on the date of grant. The Company only recognizes expense for share-based awards that are ultimately expected to vest. The forfeiture rate is based on the Company's estimate of share options that are expected to cancel prior to vesting.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2010, 2009, and 2008
(All currency expressed in U.S. dollars in thousands)

(14) Dividend

On February 8, 2011, the Company's board of directors approved and declared a quarterly cash dividend of $0.29 per share on the Company's issued and outstanding common shares, payable on March 1, 2011 to shareholders of record as of February 22, 2011.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED BALANCE SHEETS
Parent Company Information
December 31, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ 2,133	$ 1,807
Prepaid expenses	266	298
Due from affiliates, net	728	776
Other assets	165	—
Total current assets	3,292	2,881
Investments in subsidiaries	581,369	498,344
Other assets	—	4
Total assets	$584,661	$501,229
Liabilities and Shareholders' Equity		
Current liabilities:		
Accrued expenses	$ 779	$ 916
Total current liabilities	779	916
Shareholders' equity:		
Common shares	483	478
Additional paid-in capital	181,602	170,497
Accumulated other comprehensive loss	(52)	(111)
Retained earnings	401,849	329,449
Total shareholders' equity	583,882	500,313
Total liabilities and shareholders' equity	$584,661	$501,229

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED STATEMENTS OF INCOME
Parent Company Information
Years Ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands)

	2010	2009	2008
Operating expenses:			
General and administrative expense	$ 2,818	$ 2,765	$ 2,598
Total operating expenses	2,818	2,765	2,598
Loss from operations	(2,818)	(2,765)	(2,598)
Other income:			
Equity in net income of subsidiaries	122,846	93,459	87,780
Interest income	—	—	41
Other income	3	93	18
Net other income	122,849	93,552	87,839
Income before income tax	120,031	90,787	85,241
Income tax expense	—	(11)	—
Net income	$ 120,031	$ 90,776	$ 85,241

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED STATEMENTS OF CASH FLOWS
Parent Company Information
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands)

	2010	2009	2008
Cash flows from operating activities:			
Net income	$ 120,031	$ 90,776	$ 85,241
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of subsidiaries	(122,846)	(93,459)	(87,780)
Distributions received from subsidiaries	40,500	43,600	55,000
Share-based compensation	5,457	3,493	3,022
Decrease (increase) in:			
Accounts receivable, net	(165)	—	—
Prepaid expenses	32	(250)	450
Other assets	4	(4)	—
Increase (decrease) in:			
Accrued expenses	483	59	111
Total adjustments	(76,535)	(46,561)	(29,197)
Net cash provided by operating activities	43,496	44,215	56,044
Cash flows from investing activities:			
(Increase) decrease in investments in subsidiaries, net	(679)	625	803
Net cash (used in) provided by investing activities	(679)	625	803
Cash flows from financing activities:			
Issuance of common shares upon exercise of share options	5,033	—	—
Initial public offering costs	—	—	(31)
Repayments of notes receivable from shareholders	—	—	432
Dividends paid	(47,631)	(43,940)	(42,368)
Due to (from) affiliates, net	48	155	(14,166)
Net cash used in financing activities	(42,550)	(43,785)	(56,133)
Effect of exchange rate changes	59	113	(803)
Net increase (decrease) in cash and cash equivalents	326	1,168	(89)
Cash and cash equivalents, beginning of the year	1,807	639	728
Cash and cash equivalents, end of the year	$ 2,133	$ 1,807	$ 639

Schedule II

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Valuation Accounts
Years ended December 31, 2010, 2009 and 2008
(All currency expressed in United States dollars in thousands)

	Balance at Beginning of Period	Additions Charged to Expense	Additions/ (Deductions)	Balance at End of Period
December 31, 2008				
Accounts receivable, allowance for doubtful accounts	$ 3,160	$ 3,663	$ (968)	$5,855
December 31, 2009				
Accounts receivable, allowance for doubtful accounts	$5,855	$ 3,304	$ (812)	$ 8,347
December 31, 2010				
Accounts receivable, allowance for doubtful accounts	$ 8,347	$ 145	$ 161	$ 8,653

Exhibit 4.15

AMENDMENT NUMBER 4
TO SECOND AMENDED AND RESTATED INDENTURE

THIS AMENDMENT NUMBER 4, dated as of June 29, 2010 (this " Amendment"), by and between TEXTAINER MARINE CONTAINERS LIMITED, a company organized and existing under the laws of Bermuda (the " Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "Indenture Trustee"), is made to the Indenture (as defined below).

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, including by Amendment Number 1, dated as of June 3, 2005, Amendment Number 2, dated as of June 8, 2006, and Amendment Number 3, dated as of July 2, 2008, the " Indenture");

WHEREAS, the parties desire to amend the Indenture in order to modify certain provisions of the Indenture;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings assigned in the Indenture.

SECTION 2. Full Force and Effect. Other than as specifically modified hereby, the Indenture shall remain in full force and effect in accordance with the terms and provisions thereof and is hereby ratified and confirmed by the parties hereto.

SECTION 3. Amendments to the Indenture. Pursuant to Section 1002 of the Indenture, the following provisions in the Indenture are amended as follows:

(a) The definition of "OFAC" in Section 101 of the Indenture is hereby added as follows:

OFAC: The Office of Foreign Assets Control of the United States Department of the Treasury.

(b) The definition of "Prohibited Person" in Section 101 of the Indenture is hereby amended and restated as follows:

Prohibited Person: Any of the following currently or in the future: (i) a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html, or (ii) (A) an agency of the government of a Prohibited Jurisdiction, (B) an organization controlled by a Prohibited Jurisdiction, or (C) a

person resident in a Prohibited Jurisdiction, to the extent the agency, organization, or person is subject to a sanctions program administered by OFAC.

(c) The definition of "Restricted Cash Amount" in Section 101 of the Indenture is hereby amended and restated as follows:

Restricted Cash Amount: As of any Payment Date, the amount required to be deposited or maintained in the Restricted Cash Account, which shall be equal to the product of (i) the Restricted Cash Multiplier in effect on such Payment Date, (ii) one-twelfth, (iii) the weighted average (based on the then Aggregate Principal Balance, calculated after giving effect to any principal payments paid on such Payment Date) of the annual rates of interest payable on all Series of Notes then Outstanding (or, if any Series bears interest at a variable rate of interest, the interest rate then in effect on such Series of Notes), and (iv) the Aggregate Principal Balance, calculated after giving effect to all advances of principal and principal payments made on such Payment Date.

(d) The definition of "Restricted Cash Multiplier" is hereby added to Section 101 of the Indenture in appropriate alphabetical order as follows:

Restricted Cash Multiplier: As of any Payment Date, either of the following: (A) upon and following the earlier to occur of (x) December 29, 2010 and (y) the date that TGH obtains from S&P a rating for the long term unsecured indebtedness of TGH, the amount indicated in the grid set forth below under the column entitled "Restricted Cash Multiplier" based on the rating in effect on such Payment Date, and (B) prior to the occurrence of the date described in clause (A), six (6).

S&P Rating on TGH	Restricted Cash Multiplier
BBB or higher	6
BBB-	7
Either (i) BB+ or lower or (ii) no rating	8

(e) Clause (ix) of Section 1001(a) of the Indenture is hereby amended to replace the words "Five Hundred Seventy Nine Million Dollars ($579,000,000)" with the words "Eight Hundred Fifty Million Dollars ($850,000,000)".

SECTION 4. Representations and Warranties. The Issuer represents and warrants as follows:

(a) Each of the representations and warranties set forth in the Indenture is true and correct in all material respects as of the date first written above with the same effect as though

each had been made as of such date, except to the extent that any of such representations and warranties expressly relates to earlier dates.

(b) It is duly authorized to execute, deliver and perform its obligations set forth in this Amendment and this Amendment has been duly authorized, executed and delivered by all requisite corporate and, if required, equityholder action.

(c) The execution, delivery and performance by it of this Amendment shall not (1) result in the breach of, or constitute (alone or with notice or with the lapse of time or both) a default under, any material indenture, agreement or instrument to which it or any of its affiliates is a party or by which any of them or their property is or may be bound or (2) violate (A) any provision of law, statute, rule or regulation, or certificate or organizational documents or other constitutive documents of it, or (B) any order of any Governmental Authority.

(d) This Amendment constitutes its legal, valid and binding obligation, enforceable against it (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors' rights generally and to general principles of equity).

(e) No Conversion Event, Early Amortization Event, Event of Default or Manager Default, nor any event that with the passage of time or the giving of notice or both would constitute a Conversion Event, Early Amortization Event, Event of Default or Manager Default, has occurred and is continuing.

SECTION 5. Effectiveness of Amendment.

(a) This Amendment shall become effective, as of the date first written above, upon satisfaction of the following conditions:

(i) This Amendment shall have been duly executed and delivered by the parties hereto;

(ii) The Indenture Trustee and Ambac Assurance Corporation shall have received the Opinion of Counsel with respect to this Amendment contemplated by Section 1003 of the Indenture;

(iii) The Issuer shall have provided to the Rating Agencies, each Interest Rate Hedge Provider and each Series Enhancer a written notice setting forth in general terms the substance of this Amendment; and

(iv) Each Series Enhancer and the Requisite Global Majority shall have consented to this Amendment.

(b) Upon its effectiveness, this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon its effectiveness, (x) this Amendment shall be a part of the Indenture, and (y) each reference in the Indenture to "this Indenture" and "hereof", "hereunder" or words of like

import, and each reference in any other document to the Indenture shall mean and be a reference to the Indenture as amended or modified hereby.

(d) Each party hereto agrees and acknowledges that this Amendment constitutes a "Related Document" under the Indenture.

SECTION 6. Execution in Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. A facsimile counterpart shall be effective as an original.

SECTION 7. Governing Law. **THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES; *PROVIDED* THAT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

SECTION 8. Consent to Jurisdiction. The parties hereto hereby irrevocably consent to the personal jurisdiction of the state and federal courts located in New York County, New York, in any action, claim or other proceeding arising out of any dispute in connection with this Amendment, any rights or obligations hereunder, or the performance of such rights and obligations.

SECTION 9. No Novation. Notwithstanding that the Indenture is hereby amended by this Amendment as of the date hereof, nothing contained herein shall be deemed to cause a novation or discharge of any existing Indebtedness of the Issuer under the original Indenture or the security interest in the Collateral created thereby.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By Continental Management Limited, its Assistant Secretary

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Kristen L. Puttin
Name: Kristen L. Puttin
Title: Vice President

Consented and Agreed as Series Enhancer for the Series 2005-1 and as Requisite Global Majority:

AMBAC ASSURANCE CORPORATION

By: /s/ Anthony Nocera
Name: Anthony Nocera
Title: First Vice President

Exhibit 4.16

AMENDMENT NUMBER 5
TO SECOND AMENDED AND RESTATED INDENTURE

THIS AMENDMENT NUMBER 5, dated as of June 29, 2010 (this " Amendment"), by and between TEXTAINER MARINE CONTAINERS LIMITED, a company organized and existing under the laws of Bermuda (the " Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "Indenture Trustee"), is made to the Indenture (as defined below).

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, including by Amendment Number 1, dated as of June 3, 2005, Amendment Number 2, dated as of June 8, 2006, Amendment Number 3, dated as of July 2, 2008, and Amendment Number 4, dated as of June 29, 2010, the "Indenture");

WHEREAS, the parties desire to amend the Indenture in order to modify certain provisions of the Indenture;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings assigned in the Indenture.

SECTION 2. Full Force and Effect. Other than as specifically modified hereby, the Indenture shall remain in full force and effect in accordance with the terms and provisions thereof and is hereby ratified and confirmed by the parties hereto.

SECTION 3. Amendments to the Indenture. Pursuant to Section 1002 of the Indenture, the Indenture is hereby amended as follows:

(a) The definition of "Contribution and Sale Agreement" in Section 101 of the Indenture is hereby amended and restated to read as follows

"*Contribution and Sale Agreement*: The Second Amended and Restated Contribution and Sale Agreement, dated as of June 8, 2006, among the Issuer, Textainer Limited and Fortis, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms."

(b) The definition of "Management Agreement" in Section 101 of the Indenture is hereby amended and restated to read as follows

"*Management Agreement*: The Fourth Amended and Restated Management Agreement, dated as of June 29, 2010, between the Manager and the

Issuer, as such agreement shall be amended, supplemented or modified from time to time in accordance with its terms."

(c) Clause (vii) of Section 801 is hereby amended and restated to read as follows:

"(vii) all of the following conditions shall have occurred: (A) a Manager Default shall have occurred and shall not have been remedied, waived or cured, (B) the Indenture Trustee (acting at the direction of the Requisite Global Majority) shall have directed the Issuer in writing, with a copy of such written direction delivered to the Manager (the "Replacement Request"), to appoint a Replacement Manager for the Terminated Managed Containers in accordance with the terms of the Management Agreement, and (C) a Replacement Manager shall not have been appointed and assumed the management of all Terminated Managed Containers pursuant to a management agreement reasonably acceptable to the Requisite Global Majority by the date which is ninety (90) days after the date on which such Manager Default initially occurred."

(d) Clause (x) of Section 801 is hereby amended and restated to read as follows:

"(x) The earlier to occur of the following conditions or events:

(A) as of any Payment Date, an Asset Base Deficiency exists, and such condition continues unremedied for a period of ninety (90) consecutive days; or

(B) as of any date of determination, the Aggregate Principal Balance shall exceed the sum of (A) the product of (i) one hundred percent (100%) and (ii) the Aggregate Net Book Value, plus (B) the product of (i) one hundred percent (100%) and (ii) the then current balance of the Restricted Cash Account;"

(e) Clause (5) of Section 1201 is hereby amended and restated to read as follows:

"(5) The EBIT Ratio of the Issuer shall be less than 1.25:1.00;"

(f) Clause (7) of Section 1201 is hereby amended and restated to read as follows:

"(7) As of any Payment Date, the Weighted Average Age of the Eligible Container is greater than nine (9) years;"

(g) Paragraph (a) of Section 606 is hereby amended by adding the following clauses (vii) and (viii) to the end thereof:

"(vii) sales to an Affiliate of the Issuer of one or more Managed Containers which are not then classified as Eligible Containers and which are not included in the calculation of the Asset Base, so long as (x) neither an Early Amortization Event nor an Event of Default is then continuing or would result from a sale of such Managed Containers, (y) the cash sales proceeds realized by the Issuer from a sale of such Managed Containers shall equal or exceed an amount equal to the sum of the Net Book Values of all such sold Managed Containers, and (z) the sum

of the Net Book Values of all such sold Managed Containers shall not exceed $15,000,000.

(viii) sales to an Affiliate of the Issuer of one or more Managed Containers included in the calculation of the Asset Base not otherwise addressed in clause (vii), so long as (x) neither an Early Amortization Event nor an Event of Default is then continuing or would result from a sale of such Managed Containers, (y) the cash sales proceeds realized by the Issuer from such sale of Managed Containers shall equal or exceed an amount equal to the greater of (A) the sum of the then Net Book Values of all such sold Managed Containers and (B) the sum of the then fair market values of all such sold Managed Containers, and (z) the Indenture Trustee shall have received a written confirmation from counsel to the Issuer confirming that sales shall not change the conclusions set forth in its previously delivered Opinions of Counsel regarding true sale and nonconsolidation."

SECTION 4. Representations and Warranties. The Issuer represents and warrants as follows:

(a) Each of the representations and warranties set forth in the Indenture is true and correct in all material respects as of the date first written above with the same effect as though each had been made as of such date, except to the extent that any of such representations and warranties expressly relates to earlier dates.

(b) It is duly authorized to execute, deliver and perform its obligations set forth in this Amendment and this Amendment has been duly authorized, executed and delivered by all requisite corporate and, if required, equityholder action.

(c) The execution, delivery and performance by it of this Amendment shall not (1) result in the breach of, or constitute (alone or with notice or with the lapse of time or both) a default under, any material indenture, agreement or instrument to which it or any of its affiliates is a party or by which any of them or their property is or may be bound or (2) violate (A) any provision of law, statute, rule or regulation, or certificate or organizational documents or other constitutive documents of it, or (B) any order of any Governmental Authority.

(d) This Amendment constitutes its legal, valid and binding obligation, enforceable against it (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors' rights generally and to general principles of equity).

(e) No Conversion Event, Early Amortization Event, Event of Default or Manager Default, nor any event that with the passage of time or the giving of notice or both would constitute a Conversion Event, Early Amortization Event, Event of Default or Manager Default, has occurred and is continuing.

SECTION 5. Effectiveness of Amendment.

(a) This Amendment shall become effective, as of the date first written above, upon satisfaction of the following conditions:

(i) This Amendment shall have been duly executed and delivered by the parties hereto;

(ii) The Indenture Trustee and Ambac Assurance Corporation shall have received the Opinion of Counsel with respect to this Amendment contemplated by Section 1003 of the Indenture;

(iii) The Issuer shall have provided to the Rating Agencies, each Interest Rate Hedge Provider and each Series Enhancer a written notice setting forth in general terms the substance of this Amendment;

(iv) The Series 2010-1 Notes shall have been issued in accordance with the provisions of Section 1006 of the Indenture;

(v) The Series 2000-1 Notes and the related Series 2000-1 Supplement shall have been terminated and the commitments of all Noteholders thereunder terminated;

(vi) Each of the following documents shall have been executed and delivered by the parties thereto and shall have become effective: (A) Amendment No. 4 to the Indenture, dated as of June 29, 2010, (B) Amendment 3 to the Second Amended and Restated Contribution and Sale Agreement, dated as of June 29, 2010, and (C) the Fourth Amended and Restated Management Agreement, dated as of June 29, 2010; and

(vii) Each Series Enhancer and the Requisite Global Majority shall have consented to this Amendment.

(b) Upon its effectiveness, this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon its effectiveness, (x) this Amendment shall be a part of the Indenture, and (y) each reference in the Indenture to "this Indenture" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Indenture shall mean and be a reference to the Indenture as amended or modified hereby.

(d) Each party hereto agrees and acknowledges that this Amendment constitutes a "Related Document" under the Indenture.

SECTION 6. Execution in Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. A facsimile counterpart shall be effective as an original.

SECTION 7. Governing Law. **THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES; *PROVIDED* THAT SECTIONS 5-1401**

AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. Consent to Jurisdiction. The parties hereto hereby irrevocably consent to the personal jurisdiction of the state and federal courts located in New York County, New York, in any action, claim or other proceeding arising out of any dispute in connection with this Amendment, any rights or obligations hereunder, or the performance of such rights and obligations.

SECTION 9. No Novation. Notwithstanding that the Indenture is hereby amended by this Amendment as of the date hereof, nothing contained herein shall be deemed to cause a novation or discharge of any existing Indebtedness of the Issuer under the original Indenture or the security interest in the Collateral created thereby.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By Continental Management Limited, its Assistant Secretary

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Kristen L. Puttin
Name: Kristen L. Puttin
Title: Vice President

Consented and Agreed:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Series 2010-1 Noteholder

By: /s/ Daniel Miller
Name: Daniel Miller
Title: Managing Director

Consented and Agreed:

FORTIS BANK SA/NV, CAYMAN ISLANDS BRANCH,
as a Series 2010-1 Noteholder

By: /s/ John W. Benton
Name: John W. Benton
Title: Senior Managing Director

By: /s/ Alfred M. Torres
Name: Alfred M. Torres
Title: Managing Director

Consented and Agreed:

ING BANK N.V.,
as a Series 2010-1 Noteholder

By: /s/ Mark Bekker
Name: Mark Bekker
Title: Director

By: /s/ Ben Dijkhuizen
Name: Ben Dijkhuizen
Title: Director

Consented and Agreed:

BANK OF AMERICA, N.A.,
as a Series 2010-1 Noteholder

By: /s/ Brendan Feeney
Name: Brendan Feeney
Title: Vice President

Consented and Agreed:

SUNTRUST BANK, N.A.,
as a Series 2010-1 Noteholder

By: /s/ David Fournier
Name: David Fournier
Title: Vice President

Consented and Agreed:

GOTHAM FUNDING CORPORATION,
as a Series 2010-1 Noteholder

By: /s/ John L. Fridlington
Name: John L. Fridlington
Title: Vice President

Consented and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH
as a Series 2010-1 Noteholder

By: /s/ Oliver Nisenson
Name: Oliver Nisenson
Title: Vice President

Consented and Agreed:

DVB BANK S.E.,
as a Series 2010-1 Noteholder

By: [Signature illegible]
Name:
Title:

By: [Signature illegible]
Name:
Title:

Consented and Agreed:

FORTIS BANK (NEDERLAND) N.V.,
as a Series 2010-1 Noteholder

By: /s/ P.R.G. Zaman
Name: P.R.G. Zaman
Title: Global Head Aviation

By: [Signature illegible]
Name:
Title:

Consented and Agreed as Series Enhancer for Series 2005-1:

AMBAC ASSURANCE CORPORATION

By: /s/ Anthony Nocera
Name: Anthony Nocera
Title: First Vice President

Exhibit 4.18

TEXTAINER MARINE CONTAINERS LIMITED

Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Indenture Trustee

SERIES 2010-1 SUPPLEMENT

Dated as of June 29, 2010

to

SECOND AMENDED AND RESTATED INDENTURE

Dated as of May 26, 2005

SERIES 2010-1 NOTES

TABLE OF CONTENTS

SERIES 2010-1 SUPPLEMENT, dated as of June 29, 2010 (as amended, modified and supplemented from time to time in accordance with the terms hereof, this "**Supplement**"), between TEXTAINER MARINE CONTAINERS LIMITED, an exempted company organized and existing under the laws of Bermuda (the "**Issuer**"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "**Indenture Trustee**").

WHEREAS, pursuant to the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended and supplemented from time to time in accordance with its terms, the "**Indenture**"), between the Issuer and the Indenture Trustee, the Issuer may from time to time direct the Indenture Trustee to authenticate one or more new Series of Notes. The Principal Terms of any new Series are to be set forth in a Supplement to the Indenture.

WHEREAS, pursuant to this Supplement, the Issuer and the Indenture Trustee shall create a new Series of Notes (" **Series 2010-1**") and specify the Principal Terms thereof;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
Definitions; Calculation Guidelines

Section 101. Definitions. Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

"**Additional Principal Payment Amount**" shall have the meaning set forth in **Section 203(a)** hereof.

"**Aggregate Series 2010-1 Note Principal Balance**" means, as of any date of determination, an amount equal to the sum of the then Series 2010-1 Note Principal Balances of all Series 2010-1 Notes then Outstanding.

"**Alternative Rate**" means on any day for any Series 2010-1 Advance allocated to an Interest Accrual Period, an interest rate per annum equal to the Base Rate if, on or before the first day of such Interest Accrual Period, a Series 2010-1 Noteholder (or an agent thereof) or its Deal Agent shall have notified the Issuer that a Eurodollar Disruption Event has occurred with respect to such Series 2010-1 Noteholder or, if applicable, a member of its Related Group.

"**Applicable Margin**" shall have the meaning set forth in the Applicable Margin Fee Letter, dated as of June 29, 2010, among the Issuer and each of the Deal Agents, and acknowledged by the Indenture Trustee.

"**Availability**" shall have the meaning set forth in the Series 2010-1 Note Purchase Agreement.

"**Base Rate**" means, on any date, a fluctuating rate of interest per annum equal to the higher of (i) the Federal Funds Effective Rate in effect on such date plus one half of one

percent (0.50%), and (ii) the Prime Rate in effect on such date. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the opening of business on the date of such change.

"**Breakage Costs**" means any amount or amounts as shall compensate a Series 2010-1 Noteholder for any loss, cost or expense incurred by such Series 2010-1 Noteholder or a member of its Related Group in connection with funding obtained by it with respect to a Series 2010-1 Advance (as reasonably determined by the related Deal Agent in its sole discretion on behalf of such Series 2010-1 Noteholder) as a result of (i) the failure of the Issuer to accept funding of a Series 2010-1 Advance in accordance with a Funding Notice submitted by Issuer, or (ii) the failure of the Issuer to make a prepayment in accordance with the terms of any of the Indenture, this Supplement or the Series 2010-1 Note Purchase Agreement, or (iii) the Issuer making a payment of principal on a Series 2010-1 Note on a day other than a Payment Date. Nothing contained herein shall obligate the Issuer to pay Breakage Costs with respect to any prepayment actually made by the Issuer on the last day of an Interest Accrual Period.

"**Closing Date**" shall June 29, 2010.

"**Control Party**" means, with respect to Series 2010-1 Notes, the Majority of Holders of the Series 2010-1 Notes.

"**Conversion Date**" means the earlier to occur of (i) the date on which a Conversion Event occurs, and (ii) the date set forth in **Section 2.5** of the Series 2010-1 Note Purchase Agreement, as such date in this clause (ii) may be extended from time to time in accordance with the terms, and subject to the conditions, of **Section 2.5** of the Series 2010-1 Note Purchase Agreement.

"**Conversion Event**" means the earlier to occur of (x) the date on which an Early Amortization Event occurs and (y) any Payment Date on which the then aggregate unpaid principal balance of any other Series of Notes issued by the Issuer exceeds the Minimum Targeted Principal Balance of such Series (determined after giving effect to any Minimum Principal Payment Amount actually paid on such Payment Date).

"**Default Interest**" means, for any Payment Date, the incremental amount of interest payable on the Notes in accordance with **Section 202(b)** hereof.

"**Defaulting Noteholder**" means any Series 2010-1 Noteholder (or, if applicable, any member of its Related Group) that (i) fails to fund any portion of any Series 2010-1 Advance required to be funded hereunder within two Business Days after the date on which such funding is required or (ii) has notified the Issuer or any Affiliate thereof, or the Indenture Trustee or any other Series 2010-1 Noteholder, that it (or, if applicable, any member of its Related Group) does not intend to comply with its funding obligations under the Series 2010-1 Related Documents, or has made a public statement to that effect with respect to its funding obligations under the Series 2010-1 Related Documents.

"**Dollars**" and the sign "**$**" mean lawful money of the United States of America.

"**Eurodollar Disruption Event**" means with respect to all Series 2010-1 Advances allocated to any Interest Accrual Period, any of the following events or conditions: (a) a determination by a Series 2010-1 Noteholder or its Deal Agent that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain Dollars in the London interbank market to make, fund or maintain any Loan for such Interest Accrual Period, (b) a determination by a Series 2010-1 Noteholder or its Deal Agent that the LIBOR Rate applicable for such Interest Accrual Period does not accurately reflect the cost to the Series 2010-1 Noteholder (or, if applicable, any member of its Related Group) of making, funding or maintaining any Loan for such Interest Accrual Period, or (c) the inability of a Series 2010-1 Noteholder (or, if applicable, any member of its Related Group) to obtain Dollars in the London interbank market to make, fund or maintain any Loan for such Interest Accrual Period.

"**Federal Funds Effective Rate**" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, and determined by the applicable Deal Agent or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the applicable Deal Agent from three federal funds brokers of recognized standing selected by it.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System or any successor thereto.

"**Fee Letter**" means each fee letter, dated on or about the Closing Date, between the Issuer and each Deal Agent.

"**Increased Costs**" means any fee, expense, increased cost or reduction in rate of return on capital charged to or incurred by an Indemnified Party on account of the adoption or implementation of any applicable law, rule or regulation (including any applicable law, rule, or regulation regarding capital adequacy) or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority as provided by **Sections 206** and **207** hereof.

"**Indemnified Party**" shall have the meaning set forth in **Section 205(a)** hereof.

"**Interest Accrual Period**" means the period commencing on, and including, a Payment Date and ending on but excluding the next succeeding Payment Date (or, with respect to the initial Interest Accrual Period, commencing on and including the Closing Date and ending on but excluding July 15, 2010). When switching from LIBOR Rate to Alternative Rate funding, the first such Interest Accrual Period shall be at the discretion of the applicable Deal Agent.

"**LIBOR Rate**" means for any Interest Accrual Period and any Series 2010-1 Advance, an interest rate per annum equal to the average per annum rate of interest determined by the Indenture Trustee (and notified to each of the Issuer, the Manager and the Administrative Agent) on the basis of the offered rates for deposits in Dollars for an amount equal to the requested advance of funds and for a term equal to either (i) with respect to any Series 2010-1 Advance made on the first day of such Interest Accrual Period, the applicable Interest Accrual

Period or (ii) with respect to any Series 2010-1 Advance not made on the first day of such Interest Accrual Period, a term equal to the period remaining in the applicable Interest Accrual Period (*provided*, if no offered rate exists for such remaining period, the LIBOR Rate shall be interpolated on a straight-line basis based upon the LIBOR Rate for each of (i) the closest quoted period greater than such remaining period and (ii) the closest quoted period shorter than such remaining period), and commencing on the first day of such Interest Accrual Period, displayed on the Reuters screen "LIBOR01", or any successor service for the purpose of displaying the London Interbank rates of major banks for Dollars (or such other page as may replace the Reuters screen "LIBOR01" on that service or such other service or services as may be denominated by the British Bankers' Association for the purpose of displaying London Interbank offered rates for Dollar deposits), as of 11:00 A.M. (London time) on the Business Day which is the LIBOR Determination Date. If the Reuters Screen LIBO Page is not available, then " **LIBOR Rate**" shall mean the rate per annum equal to the average rate at which the principal London offices of Wells Fargo Bank, National Association, and Bank of America, N.A. (or their respective successors) are offered dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the first Business Day of such Interest Accrual Period in the London eurodollar interbank market for delivery on the first day of such Interest Accrual Period for one month and in a principal amount equal to an amount of not less than $1,000,000.

"**LIBOR Determination Date**" shall mean the date that is two (2) Business Days prior to the first day of any Interest Accrual Period.

"**Loan**" means an extension of credit made by a Series 2010-1 Advance pursuant to **Section 204** hereof.

"**Majority of Holders**" means, with respect to the Series 2010-1 Notes as of any date of determination, one or more Series 2010-1 Noteholders representing more than fifty percent (50%) of the then aggregate Series 2010-1 Note Commitments of all Series 2010-1 Noteholders (or, if the Conversion Date has occurred, the then Aggregate Series 2010-1 Note Principal Balance); provided however, that the Series 2010-1 Note Commitments (or, if applicable, Series 2010-1 Note Principal Balance) of any Person classified as a Defaulting Noteholder on such date of determination shall be excluded for purposes of determining the Majority of Holders for Series 2010-1.

"**Manager Advance**" shall have the meaning set forth in the Management Agreement.

"**Manager Report**" shall have the meaning set forth in the Management Agreement.

"**Minimum Principal Payment Amount**" means, for the Series 2010-1 Notes on any Payment Date, one of the following:

(1) for any Payment Date on or prior to the Conversion Date, zero;

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the Aggregate Series 2010-1 Note Principal Balance, over (y) the

Minimum Targeted Principal Balance for the Series 2010-1 Notes for such Payment Date.

"**Minimum Targeted Principal Balance**" means for the Series 2010-1 Notes for each Payment Date subsequent to the Conversion Date, an amount equal to the product of (x) the Aggregate Series 2010-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date; it being agreed that if the Conversion Date does not occur on a Payment Date, the number of months calculation shall commence with the Payment Date immediately following the Conversion Date) on **Schedule 1** hereto under the column entitled "Minimum Targeted Principal Balance". The Minimum Targeted Principal Balance for the Series 2010-1 Notes is based on a fifteen (15) year level amortization schedule over the period from the Conversion Date to the Series 2010-1 Legal Final Payment Date.

"**Note**" means any Series 2010-1 Note.

"**Other Taxes**" shall have the meaning set forth in **Section 205(b)** hereof.

"**Overdue Rate**" means an interest rate per annum equal to the sum of (i) the interest rate otherwise in effect hereunder plus (ii) two percent (2%).

"**Payment Date**" shall have the meaning set forth in **Section 201(b)** hereof.

"**Permitted Interest Withdrawal**" shall have the meaning set forth in **Section 302(a)** hereof.

"**Permitted Payment Date Withdrawal**" means, with respect to Series 2010-1, either or both of the Permitted Interest Withdrawal and/or the Permitted Principal Withdrawal.

"**Permitted Principal Withdrawal**" shall have the meaning set forth in **Section 302(b)** hereof.

"**Prime Rate**" means the rate announced by Wells Fargo Bank, National Association (or any successor thereto), from time to time as its "**prime rate**" or "**base rate**" in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo Bank, National Association (or any successor thereto) in connection with extensions of credit to debtors. For sake of clarity, the references to Wells Fargo Bank, National Association in the two preceding sentences are not intended to refer to the initial Indenture Trustee.

"**Pro Rata**" means in accordance with the Pro Rata Share of each Series 2010-1 Noteholder.

"**Pro Rata Share**" means, with respect to each Series 2010-1 Noteholder as of any date of determination, a ratio (expressed as a percentage) the numerator of which is equal to the Series 2010-1 Note Commitment (or, if the Conversion Date has occurred, the Series 2010-1 Note Principal Balance) of such Series 2010-1 Noteholder and the denominator of which is equal to the sum of the Series 2010-1 Note Commitments of all Series 2010-1 Noteholders (or, if the Conversion Date has occurred, the Aggregate Series 2010-1 Note Principal Balance).

"**Purchaser**" shall have the meaning set forth in the Series 2010-1 Note Purchase Agreement.

"**Rating Agencies**" means, for Series 2010-1, each of Moody's and Standard & Poor's.

"**Scheduled Principal Payment Amount**" means, for the Series 2010-1 Notes for any Payment Date, one of the following:

(1) for any Payment Date on or prior to the Conversion Date, zero (0); or

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the then Aggregate Series 2010-1 Note Principal Balance (determined after giving effect to any payment of the Minimum Principal Payment Amount for the Series 2010-1 Notes on such Payment Date), over (y) the Scheduled Targeted Principal Balance for the Series 2010-1 Notes for such Payment Date.

"**Scheduled Targeted Principal Balance**" means, for the Series 2010-1 Notes for each Payment Date subsequent to the Conversion Date, an amount equal to the product of (x) the Aggregate Series 2010-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date; it being agreed that if the Conversion Date does not occur on a Payment Date, the number of months calculation shall commence with the Payment Date immediately following the Conversion Date) on **Schedule 2** hereto under the column entitled "Scheduled Targeted Principal Balance". The Scheduled Targeted Principal Balance for the Series 2010-1 Notes will be based on a ten (10) year level amortization Schedule over the period from the Conversion Date to the Series 2010-1 Scheduled Maturity Date.

"**Security Entitlement**" means, any "security entitlement" as defined in Section 8-102(a)(17) of the UCC, arising out of or in any way related to the Managed Containers.

"**Series 2000-1 Related Documents**" shall have the meaning set forth in the Third Amended and Restated Series 2000-1 Supplement, between the Issuer and the Indenture Trustee, dated as of July 2, 2008.

"**Series 2005-1 Related Documents**" shall have the meaning set forth in the Series 2005-1 Supplement between the Issuer and the Indenture Trustee, dated as of May 26, 2005.

"**Series 2010-1**" means the Series of Notes the terms of which are specified in this Supplement.

"**Series 2010-1 Advance**" means any advance of funds made by, or on behalf of, a Series 2010-1 Noteholder pursuant to **Section 204(b)** hereof.

"**Series 2010-1 Legal Final Payment Date**" means, with respect to the Series 2010-1 Notes, the Payment Date immediately succeeding the date which is the fifteenth (15th) annual anniversary of the Conversion Date.

"**Series 2010-1 Note**" means any one of the notes issued pursuant to the terms hereof, substantially in the form of Exhibit A hereto, and shall include any and all replacements or substitutions of such notes.

"**Series 2010-1 Note Commitment**" means, for each Series 2010-1 Noteholder (excluding, however, any Series 2010-1 Noteholder which is a CP Purchaser), the commitment of such Series 2010-1 Noteholder to fund Series 2010-1 Advances in an aggregate amount outstanding at any point in time not to exceed the amount set forth opposite such Series 2010-1 Noteholder name on the signature pages of the Series 2010-1 Note Purchase Agreement, as such amount may be modified in accordance with the terms thereof. After the Conversion Date, the Series 2010-1 Note Commitment for each Series 2010-1 Noteholder shall be equal to the then Series 2010-1 Note Principal Balance of the Series 2010-1 Note owned by such Series 2010-1 Noteholder.

"**Series 2010-1 Note Interest Payment**" means for each Payment Date, an amount equal to the sum, for each Series 2010-1 Advance outstanding for each day during the related Interest Accrual Period, of the product of (i) if the Alternative Rate shall then be in effect, (A) the principal amount of such Series 2010-1 Advance, (B) an interest rate equal to the sum of (x) the Base Rate in effect and (y) the Applicable Margin, and (C) 1/365 or 1/366, as applicable, or (ii) if clause (i) above shall not apply, (A) the principal amount of such Series 2010-1 Advance, (B) an interest rate equal to the sum of (x) the LIBOR Rate for such Interest Accrual Period and (y) the Applicable Margin, and (C) 1/360.

"**Series 2010-1 Note Principal Balance**" means, with respect to any Series 2010-1 Note as of any date of determination, an amount equal to the excess of (x) all Series 2010-1 Advances made by or on behalf of the related Series 2010-1 Noteholder on or subsequent to the Closing Date, over (y) the cumulative amount of all Minimum Principal Payment Amounts, Scheduled Principal Payment Amounts, Supplemental Principal Payment Amounts, Additional Principal Payment Amounts and any other Prepayments actually paid to the related Series 2010-1 Noteholder subsequent to the Closing Date.

"**Series 2010-1 Note Purchase Agreement**" means the Series 2010-1 Note Purchase Agreement, dated as of June 29, 2010, among the Issuer, the Purchasers, and the Deal Agents named therein pursuant to which document the Purchasers agreed to purchase the Series 2010-1 Notes and make Series 2010-1 Advances, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series 2010-1 Noteholder**" means, at any time of determination for the Series 2010-1 Notes, any Person in whose name a Series 2010-1 Note is registered in the Note Register, and shall be deemed to include each Purchaser and each related CP Purchaser.

"**Series 2010-1 Related Documents**" means any and all of the Indenture, this Supplement, the Series 2010-1 Notes, the Management Agreement, the Contribution and Sale Agreement, the Series 2010-1 Note Purchase Agreement, the Administration Agreement, the Manager Transfer Facilitator Agreement, each Interest Rate Hedge Agreement (upon execution thereof), each Fee Letter and any and all other agreements, documents and instruments executed and delivered by or on behalf or support of the Issuer with respect to the issuance and sale of the Series 2010-1 Notes, as any of the foregoing may from time to time be amended, modified,

supplemented or renewed, *provided*, the term "Series 2010-1 Related Documents" shall not include the Members Agreement.

"**Series 2010-1 Scheduled Maturity Date**" means with respect to the Series 2010-1 Notes, the Payment Date immediately succeeding the date which is the tenth (10th) annual anniversary of the Conversion Date.

"**Series 2010-1 Series Account**" means the account established by the Issuer with the Indenture Trustee into which funds are deposited from the Trust Account pursuant to **Section 303** of the Indenture.

"**Series 2010-1 Targeted Repayment Date**" means the first Payment Date immediately following the date that is the fifth (5th) anniversary of the Conversion Date.

"**Step Up Warehouse Fee**" means, for the Series 2010-1 Notes, for each Payment Date, an amount equal to the sum, for each Series 2010-1 Advance outstanding for each day during the related Interest Accrual Period, of the product of (A) the principal amount of such Series 2010-1 Advance, (B) the Step Up Warehouse Fee Percentage, and (C) 1/360.

"**Step Up Warehouse Fee Percentage**" mean, with respect to the Series 2010-1 Notes, an amount equal to either (A) the sum of the following (as and if applicable) (i) if the fifth (5th) anniversary of the Conversion Date has occurred, five percent (5%) per annum, and (ii) if an Early Amortization Event has occurred and has not been cured or waived in accordance with the terms of the Series 2010-1 Related Documents, one percent (1.00%) per annum, or (B) at all times not covered by clause (A), zero.

"**Supplemental Principal Payment Amount**" means the amount of any Prepayment made in accordance with the provisions of **Section 702(a)** of the Indenture that is allocated to the Series 2010-1 Notes in accordance with each provision of the Indenture.

"**Taxes**" shall have the meaning set forth in **Section 205(a)** hereof.

"**TCG Fund**" means TCG Fund I, L.P., an exempted limited partnership organized under the laws of the Cayman Islands, and its permitted successors and assigns.

"**Unused Commitment**" means, with respect to each Series 2010-1 Noteholder as of any date of determination, the excess of (i) the Series 2010-1 Note Commitment then in effect for such Series 2010-1 Noteholder, over (ii) the Series 2010-1 Note Principal Balance of the Series 2010-1 Note owned by such Series 2010-1 Noteholder as of such date of determination, measured after giving effect to all Series 2010-1 Advances made and all principal payments to be received by such Series 2010-1 Noteholder on such date of determination.

"**Unused Fee**" shall have the meaning set forth in **Section 204(c)** hereof.

"**Unused Fee Percentage**" means the amount set forth in the Applicable Margin Fee Letter, dated as of June 29, 2010, among the Issuer and each of the Deal Agents, and acknowledged by the Indenture Trustee.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Indenture or, if not defined therein, as defined in the Series 2010-1 Note Purchase Agreement.

ARTICLE II
Creation of the Series 2010-1 Notes

Section 201. Designation.

(a) There is hereby created a Series of Notes to be issued in one Class pursuant to the Indenture and this Supplement to be known respectively as "Textainer Marine Containers Limited Floating Rate Asset-Backed Notes, Series 2010-1". The Series 2010-1 Notes will be issued in the initial maximum principal balance of Seven Hundred Fifty Million Dollars ($750,000,000) and will not have priority over any other Series, except to the extent set forth in the Supplement for such other Series. The maximum aggregate principal balance of the Series 2010-1 Notes may be increased to Eight Hundred Fifty Million Dollars ($850,000,000) in accordance with **Section 2.3** of the Series 2010-1 Note Purchase Agreement.

(b) The Payment Date with respect to the Series 2010-1 Notes shall be the fifteenth (15th) calendar day of each month (or, if such day is not a Business Day, the immediately following Business Day), commencing July 15, 2010.

(c) Payments of principal on the Series 2010-1 Notes shall be payable from funds on deposit in the Series 2010-1 Series Account or otherwise at the times and in the amounts set forth in Article III of the Indenture and Article III hereof.

(d) Each Series 2010-1 Note is classified as a "Warehouse Note", as such term is used in the Indenture. A Step Up Warehouse Fee will be payable on the Series 2010-1 Notes commencing on the earlier to occur of (i) the Series 2010-1 Targeted Repayment Date and (ii) the date on which an Early Amortization Event occurs.

(e) The Additional Principal Payment Amount shall be classified as part of "all other amounts then due and payable" to the Series 2010-1 Noteholders, as such phrase is used in clause (13) of Part I of **Section 302(c)** of the Indenture.

(f) The Series 2010-1 Notes are issued on the Closing Date without the benefit of an Enhancement Agreement. The Series 2010-1 Notes will be rated on the Closing Date by each of Standard &Poor's and Moody's.

(g) The Series 2010-1 Scheduled Maturity Date shall constitute the Expected Final Payment Date for the purposes of this Supplement and the Series 2010-1 Notes.

(h) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions hereof shall govern.

Section 201A Authentication and Delivery.

(a) On the Closing Date, the Issuer shall sign, and shall direct the Indenture Trustee in writing pursuant to **Section 204** of the Indenture to duly authenticate, and the Indenture Trustee, upon receiving such direction, shall (i) authenticate (by manual, electronic (PDF) or facsimile signature, including by separate counterparts) the Series 2010-1 Notes, subject to compliance with the conditions precedent set forth in **Section 501** hereof and the Series 2010-1 Note Purchase Agreement, in accordance with such written directions and (ii) subject to compliance with the conditions precedent set forth in **Section 501** hereof and the Series 2010-1 Note Purchase Agreement, deliver such Series 2010-1 Notes to the Series 2010-1 Noteholders in accordance with such written directions.

(b) In accordance with **Section 202** of the Indenture, the Series 2010-1 Notes shall be represented by one or more Definitive Notes.

(c) The Series 2010-1 Notes shall be executed by manual, electronic (PDF) or facsimile signature on behalf of the Issuer by any officer of the Issuer and shall be substantially in the form of Exhibit A hereto.

(d) The Series 2010-1 Notes shall be issued in minimum denominations of $250,000 and in integral multiples of $100,000 in excess thereof.

Section 202. Interest Payments on the Series 2010-1 Notes.

(a) Interest on Series 2010-1 Notes. Interest will be payable on the Series 2010-1 Notes on each Payment Date in an amount equal to the Series 2010-1 Note Interest Payment. Such interest shall be payable on each Payment Date from amounts on deposit in the Series 2010-1 Series Account in accordance with **Section 302** of the Indenture and **Section 303** hereof.

(b) Interest on Overdue Amounts. If the Issuer shall default in the payment of (i) the Series 2010-1 Note Principal Balance of any Series 2010-1 Note on the Series 2010-1 Legal Final Payment Date, or (ii) the Series 2010-1 Note Interest Payment on any Series 2010-1 Note on any Payment Date, or (iii) any other amount becoming due under this Supplement, the Issuer shall, from time to time, pay interest on such unpaid amounts, to the extent permitted by Applicable Law, from the due date of such payment to, but not including, the date of actual payment (after as well as before judgment), at a rate per annum equal to the Overdue Rate, for the period during which such principal, interest or other amount shall be unpaid from the due date of such payment to the date of actual payment thereof. Default Interest shall be payable at the times and subject to the priorities set forth in **Section 303** hereof.

(c) Maximum Interest Rate. In no event shall the interest charged with respect to a Series 2010-1 Note exceed the maximum amount permitted by Applicable Law. If at any time the interest rate charged with respect to the Series 2010-1 Notes exceeds the maximum rate permitted by Applicable Law, the rate of interest to accrue pursuant to this Supplement and such Series 2010-1 Note shall be limited to the maximum rate permitted by Applicable Law, but any subsequent reductions in the LIBOR Rate or Alternative Rate, as the case may be, shall not reduce the interest to accrue on such Series 2010-1 Note below the maximum amount permitted

by Applicable Law until the total amount of interest accrued on such Series 2010-1 Note equals the amount of interest that would have accrued if a varying rate per annum equal to the interest rate had at all times been in effect. If the total amount of interest paid or accrued on the Series 2010-1 Note under the foregoing provisions is less than the total amount of interest that would have accrued if the interest rate had at all times been in effect, the Issuer agrees to pay to the Series 2010-1 Noteholders an amount equal to the difference between (a) the lesser of (i) the amount of interest that would have accrued if the maximum rate permitted by Applicable Law had at all times been in effect, or (ii) the amount of interest that would have accrued if the interest rate had at all times been in effect, and (b) the amount of interest actually paid in accordance with the other provisions hereof.

Section 203. Principal Payments on the Series 2010-1 Notes; Prepayment of Principal on the Series 2010-1 Notes .

(a) The principal balance of the Series 2010-1 Notes shall be payable on each Payment Date from amounts on deposit in the Series 2010-1 Series Account in an amount equal to (i) so long as no Early Amortization Event is continuing, the sum of the Minimum Principal Payment Amount, the Scheduled Principal Payment Amount and Supplemental Principal Payment Amount for such Payment Date, or (ii) if an Early Amortization Event is then continuing, the then Aggregate Series 2010-1 Note Principal Balance shall be payable in full to the extent that funds are available for such purposes in accordance with the provisions of clause (4) of Part (II) of **Section 303** hereof. In addition to such Minimum Principal Payment Amount, Scheduled Principal Payment Amount and Supplemental Principal Payment Amount, the principal balance of the Series 2010-1 Notes shall be payable on each Payment Date on which no Early Amortization Event is then continuing that occurs on or after the Series 2010-1 Targeted Repayment Date in an amount equal to a pro rata share of all Available Distribution Amounts remaining after all distributions set forth in clauses (1) through (12) inclusive of **Part I Section 302(c)** of the Indenture have been paid on such Payment Date, such pro rata share to be calculated after giving effect to amounts payable to the Series 2010-1 Noteholders on such Payment Date as a Step-Up Warehouse Fee, overdue interest or pursuant to **Sections 205**, **206** and **207** of this Supplement (each such additional payment of principal, an "**Additional Principal Payment Amount**"). Such Additional Principal Payment Amount shall be payable from funds available for such purposes pursuant to **clause (5)** of **Part (I)** of **Section 303** hereof. The unpaid principal amount of each Series 2010-1 Note, together with all unpaid interest (including all Default Interest), fees, expenses, costs and other amounts payable by the Issuer to the Series 2010-1 Noteholders and the Indenture Trustee pursuant to the terms of the Indenture and this Supplement, shall be due and payable in full on the earlier to occur of (x) the date on which an Event of Default shall occur and the Series 2010-1 Notes have been accelerated in accordance with the provisions of **Section 802** of the Indenture and (y) the Series 2010-1 Legal Final Payment Date.

(b) The Issuer will have the option to prepay, without premium, all, or a portion of, the Aggregate Series 2010-1 Note Principal Balance, in a minimum amount of Two Hundred Fifty Thousand Dollars ($250,000). Any such Prepayment of the Aggregate Series 2010-1 Note Principal Balance shall also include accrued interest to the date of Prepayment on the principal balance being prepaid, and, if such prepayment is made on a Business Day other than a Payment Date, any Breakage Costs attributable to such Prepayment. The Issuer may not

make such Prepayment from funds in the Trust Account, the Series 2010-1 Series Account or the Restricted Cash Account, except to the extent that funds in any such account would otherwise be payable to the Issuer in accordance with the terms hereof and the Indenture. In the event of any Prepayment of the Series 2010-1 Notes in accordance with this **Section 203(b)** or any other provision of the Indenture, the Issuer shall pay any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider. The Issuer must provide advance notice of at least two Business Days to the Series 2010-1 Noteholders of any such optional Prepayment, which notice shall be irrevocable when delivered.

(c) Any Prepayment of less than the entire Aggregate Series 2010-1 Note Principal Balance, made in accordance with the provisions of **Section 203** hereof and occurring after the Conversion Date, shall be applied to reduce the Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts of the Series 2010-1 Notes in respect of each subsequent Payment Date in equal amounts such that, after giving effect to such adjustment, the Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts for each subsequent Payment Date shall be reduced by an amount equal to the quotient of (x) the aggregate amount of such Prepayment actually received by the Series 2010-1 Noteholders, divided by (y) the number of remaining Payment Dates to and including, the Series 2010-1 Legal Final Payment Date or the Series 2010-1 Scheduled Maturity Date, as applicable.

Section 204. Amounts and Terms of Series 2010-1 Noteholder Commitments; Payments.

(a) Subject to the terms and conditions hereof and the Series 2010-1 Note Purchase Agreement, each Series 2010-1 Noteholder agrees to make its Series 2010-1 Note Commitment available to the Issuer on the Closing Date.

(b) (i) Prior to the Conversion Date, each Series 2010-1 Note shall be a revolving note with a maximum principal amount equal to the then Series 2010-1 Note Commitment of such Series 2010-1 Noteholder. Each Deal Agent shall maintain records of all Series 2010-1 Advances and repayments made on each Series 2010-1 Note, which records shall, absent manifest error, be conclusive. On any Business Day requested by the Issuer in an irrevocable writing delivered by not later than 5:00 p.m. (New York City time) on the third (3rd) preceding Business Day and presuming that the Issuer shall have satisfied all applicable conditions precedent set forth in **Section 502** (and, in the case of the initial Series 2010-1 Advance, **Section 501**), each Series 2010-1 Noteholder shall, subject to the terms and conditions of the Series 2010-1 Note Purchase Agreement, deposit in the account designated by the Issuer by wire transfer of same day funds an amount equal to its Pro Rata Share of the requested Series 2010-1 Advance; *provided, however*, that (i) each Series 2010-1 Advance by a Series 2010-1 Noteholder shall be in an amount (A) not less than the least of $100,000 and the lesser of the amounts described in the following **clauses (B)(x)** and **(B)(y)**, (B) not greater than the lesser of (x) the then Unused Commitment of such Series 2010-1 Noteholder and (y) such Series 2010-1 Noteholder's ratable share (determined based on the then aggregate unused Series 2010-1 Note Commitments of all Series 2010-1 Noteholders) of the Availability on such Business Day and (ii) in the event that any Series 2010-1 Noteholder fails to make a Series 2010-1 Advance in accordance with its Series 2010-1 Note Commitment, then the other Series 2010-1 Noteholder(s) shall not be obligated to fund the Pro Rata Share of the Series 2010-1 Advance of the defaulted Series 2010-1 Noteholder(s). The Issuer shall pay interest on the Series 2010-1 Notes at the rates

and in the manner set forth in **Section 202** hereof. The unpaid principal amount of the Series 2010-1 Notes and all unpaid interest accrued thereon, together with any unpaid Unused Fees and, without duplication of the amounts set forth in **Section 203**, all other fees, expenses, costs and other sums chargeable to Issuer incurred in connection therewith, shall be due and payable on the Series 2010-1 Legal Final Payment Date.

(ii) Each request for a Series 2010-1 Advance shall constitute an affirmation by Issuer that all of the conditions precedent set forth in **Section 502** of the Supplement and the Series 2010-1 Note Purchase Agreement are true, correct and complete in all material respects to the same extent as though made on and as of the date of the request, except to the extent such representations and warranties specifically relate to an earlier date, in which event they shall be true, correct and complete in all material respects as of such earlier date.

(iii) If a Series 2010-1 Noteholder fails to fund a requested Series 2010-1 Advance pursuant to a valid request made in accordance with **Section 204(b)**, the Issuer shall promptly notify the Indenture Trustee that such Person should be classified as a Defaulting Noteholder. Thereafter, the Issuer shall promptly notify the Indenture Trustee of any subsequent change in such classification.

(c) Subject to **Section 209(a)(iii)**, on each Payment Date, the Issuer shall pay an unused fee (the " **Unused Fee**") to each Series 2010-1 Noteholder in an amount equal to the sum for each day during the immediately preceding Interest Accrual Period of the product of (x) the applicable Unused Fee Percentage on such date, (y) 1/360 and (z) the Unused Commitment of such Series 2010-1 Noteholder on such date. Such Unused Fee shall be payable from amounts then on deposit in the Series 2010-1 Series Account in accordance with **Section 303** hereof.

(d) All payments of principal and interest on the Series 2010-1 Notes and fees with respect to the Series 2010-1 Notes shall be paid to the Series 2010-1 Noteholders reflected in the Note Register as of the related Record Date on a Pro Rata basis by wire transfer of immediately available funds for receipt prior to 11:00 a.m. (New York City time) on the related Payment Date. Any payments received by a Series 2010-1 Noteholder after 11:00 a.m. (New York City time) on any day shall be considered to have been received on the next succeeding Business Day.

Section 205. Taxes.

(a) In addition to payments of principal and interest on the Series 2010-1 Notes when due, the Issuer shall pay, but only in accordance with the priorities for distributions set forth in **Section 303** hereof, to each affected Series 2010-1 Noteholder, any member of its Related Group or any other Person that has advanced funds to, sold, committed to advance funds to, or committed to purchase from a Series 2010-1 Noteholder, an interest in the Series 2010-1 Note owned by such Series 2010-1 Noteholder (such Series 2010-1 Noteholder, any member of its Related Group and any such Person being an "**Indemnified Party**"), any and all present or future taxes, fees, duties, levies, imposts, or charges, or any other similar deduction or withholding, imposed by any Governmental Authority on payments owing by the Issuer to such Indemnified Party, and all liabilities with respect thereto, excluding (i) taxes imposed by the jurisdiction in which that Indemnified Party's principal office is located (and/or the office where such Indemnified Party books its investment in its Series 2010-1 Note) on all or part of the net

income, profits or gains of such Indemnified Party and (ii) interest, penalties, and additions thereto arising out of such Indemnified Party's gross negligence (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as " **Taxes**").

(b) In addition, the Issuer shall pay, subject to the priorities set forth in **Section 303**, any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Supplement or any other documents related to the issuance of the Series 2010-1 Notes (hereinafter referred to as " **Other Taxes**").

(c) If any Taxes or Other Taxes are directly asserted or imposed against any Indemnified Party, the Issuer shall indemnify and hold harmless such Indemnified Party, subject to the priorities for distribution set forth in **Section 303**, for the full amount of the Taxes or Other Taxes (including any Taxes or Other Taxes asserted or imposed by any jurisdiction on amounts payable under this **Section 205**) paid by the Indemnified Party and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted or imposed. If the Issuer fails to pay any Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Indemnified Party the required receipts or other required documentary evidence, the Issuer shall indemnify the Indemnified Party for any incremental Taxes or Other Taxes, interest or penalties that may become payable by the Indemnified Party as a result of any such failure. Payment under this indemnification shall be made in accordance with the priorities for distributions set forth in **Section 303** hereof after the Indemnified Party makes written demand therefor. The Indemnified Party shall give prompt notice to Issuer of any assertion of Taxes or Other Taxes so that Issuer may, at its option, contest such assertion.

(d) Within thirty (30) days after the date of any payment by the Issuer of Taxes or Other Taxes, the Issuer shall furnish to each of the Series 2010-1 Noteholders the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to the Series 2010-1 Noteholders.

(e) Taxes and Other Taxes shall not constitute a "**claim**" (as defined in Section 101(5) of the Bankruptcy Code) against the Issuer or the Collateral in the event there are insufficient funds to make such payments in accordance with the payment priorities set forth in **Section 303** hereof.

(f) On or before the date it acquires a Series 2010-1 Note (and, so long as it may properly do so, periodically thereafter, as requested by Issuer, to keep forms up to date), each Indemnified Party that is organized under the laws of a jurisdiction outside the United States of America shall deliver to the Indenture Trustee any certificates, documents or other evidence that shall be required by the Code (or any regulations issued pursuant thereto) to establish that, assuming the Series 2010-1 Notes are properly characterized as indebtedness, it is exempt from existing United States Federal withholding requirements, including (i) two original copies of Internal Revenue Service Form 1001 or Form 4224 or successor applicable form, properly completed and duly executed by the Series 2010-1 Noteholder certifying that it is entitled to receive payments under this Supplement without deduction or withholding of any

United States Federal income taxes, and (ii) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed; provided, that if any Series 2010-1 Noteholder does not comply with this **Section 205(f)**, amounts payable to such Series 2010-1 Noteholder under this **Section 205** shall be limited to amounts that would have been payable under this **Section 205** if such Series 2010-1 Noteholder had so complied.

Section 206. Increased Costs. If any Indemnified Party shall determine that, due to either (a) the introduction after the Closing Date of any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the LIBOR Rate) after the Closing Date in, or in the interpretation or administration by any Governmental Authority of, any law or requirement of law or (b) the compliance with any guideline or request issued after the Closing Date from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to such Indemnified Party of agreeing to maintain its investment in any Note, then the Issuer shall be liable for, and shall from time to time, pay to such Indemnified Party such additional amounts as are sufficient to compensate such Indemnified Party for such Increased Costs; *provided, however*, that such Indemnified Party shall (i) use reasonable efforts in good faith to mitigate any such Increased Costs and (ii) provide to Issuer in writing the basis for such Increased Costs. Payment under this indemnification shall be made in accordance with the priorities for distributions set forth in **Section 303** hereof after the Indemnified Party makes written demand therefor. Amounts payable pursuant to this **Section 206** shall not constitute a claim against the Issuer or the Collateral in the event that such amounts are not paid in accordance with **Section 303** hereof.

Section 207. Capital Requirements. If any Indemnified Party shall determine (i) any change after the Closing Date in any law, rule, regulation or guideline adopted pursuant to or arising out of the June 2006 report of the Basel Committee on Banking Regulations and Supervisory Practices entitled "Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework, Comprehensive Version", or (ii) the adoption after the Closing Date of any law, governmental rule, regulation, guideline or directive (whether or not having the force of law) or requirement of law regarding capital adequacy, or (iii) any change after the Closing Date in the enforcement or interpretation or administration of any of the foregoing by any Governmental Authority charged with the enforcement or interpretation or administration thereof, or (iv) compliance by any Indemnified Party (or any business office of the Indemnified Party) or the Indemnified Party's holding company with any request or directive issued after the Closing Date regarding capital adequacy (in the case of any bank regulatory guideline, whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on the Indemnified Party's capital or on the capital of the Indemnified Party's holding company, if any, as a consequence of maintaining its commitment to purchase Notes or maintain its investment in a Note to a level below that which the Indemnified Party or the Indemnified Party's holding company could have achieved but for such adoption, change or compliance (taking into consideration the Indemnified Party's policies and the policies of the Indemnified Party's holding company with respect to capital adequacy) by an amount reasonably deemed by the Indemnified Party to be material, then upon written demand by the Indemnified Party, the Issuer shall be liable for such additional amount or amounts as will compensate the Indemnified Party or the Indemnified Party's holding company for any such reduction suffered. Payment of this indemnification shall be made in accordance with the priorities for distributions set forth in **Section 303** hereof after the Indemnified Party

makes written demand therefor. Indemnification amounts shall not constitute a claim against the Issuer or the Collateral in the event such amounts are not paid in accordance with **Section 303** hereof. Without affecting its rights under this **Section 207** or any other provision hereof or the Indenture, the Indemnified Party agrees that if there is an increase in any cost to or reduction in any amount receivable by the Indemnified Party with respect to which the Issuer would be obligated to compensate the Indemnified Party pursuant to this **Section 207**, the Indemnified Party shall use reasonable efforts to select an alternative business office which would not result in any such increase in any cost to or reduction in any amount receivable by the Indemnified Party; *provided, however*, that the Indemnified Party shall not be obligated to select an alternative business office if the Indemnified Party determines that (i) as a result of such selection the Indemnified Party would be in violation of any applicable law, or would incur material, additional costs or expenses, or (ii) such selection would be unavailable for regulatory reasons.

Section 208. Affected Parties.

(a) A certificate of an Indemnified Party setting forth the amount or amounts necessary to compensate such an Indemnified Party or its holding company, as the case may be, as specified in **Section 206** and/or **Section 207** and delivered to the Issuer shall be conclusive absent manifest error; provided that such certificate (i) sets forth in reasonable detail the amount or amounts payable to such Indemnified Party pursuant to such **Section 206** or **207**, (ii) explains the methodology used to determine such amount, (iii) states that the applicable increased costs or reductions were suffered no more than ninety (90) days (or, if the circumstances giving rise to such increased costs or reductions were retroactive, such period in excess of ninety (90) days as includes the period of retroactive effect) prior to the date of such certificate, and (iv) states that such amount is consistent with amounts that such Indemnified Party has required other similarly situated borrowers or obligors to pay with respect to such increased costs or reductions.

(b) Failure or delay on the part of any Indemnified Party to demand compensation pursuant to **Section 206** and/or Section **207** shall not constitute a waiver of such Indemnified Party's right to demand such compensation, provided that the Issuer shall not be required to compensate an Indemnified Party pursuant to such Sections (i) to the extent that such increased costs or reductions were suffered more than ninety (90) days prior to the date on which such Indemnified Party notifies the Issuer of the circumstances giving rise to such increased costs or reductions and of such Indemnified Party's intention to claim compensation therefor (except that, if the circumstances giving rise to such increased costs or reductions is retroactive, then the ninety (90) day period referred to above shall be extended to include the period of retroactive effect thereof) or (ii) if such Indemnified Party has not required other similarly situated borrowers or obligors to pay comparable amounts with respect to such increased costs or reductions.

(c) The Issuer may, at its sole expense and effort, upon not less than three Business Days prior written notice to any Indemnified Party that makes a demand pursuant to **Section 206** or **207** (each an "Affected Party"), require such Affected Party to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in the Indenture), all of its interests, rights and obligations under its Series 2010-1 Note to an assignee that shall assume such assigned obligations (which assignee may or may not be another Series 2010-1 Noteholder, if a Series 2010-1 Noteholder accepts such assignment, but is not required to

be another Series 2010-1 Noteholder); *provided that* (A) such Affected Party shall have received payment of an amount equal to the outstanding principal of its Series 2010-1 Note, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including any amounts that have been accrued pursuant to **Section 206** and/or Section **207**, as applicable) and under the other Series 2010-1 Related Documents from the Issuer or the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuer (in the case of all other amounts); and (B) such assignment does not conflict with Applicable Law.

Section 209. Defaulting Noteholders.

(a) Adjustments. Notwithstanding anything to the contrary contained in any Series 2010-1 Related Document, if any Series 2010-1 Noteholder becomes a Defaulting Noteholder, then, until such time as that Series 2010-1 Noteholder is no longer a Defaulting Noteholder, to the extent permitted by applicable law:

(i) Waivers and Amendments. Notwithstanding anything to the contrary in any Series 2010-1 Related Document, a Series 2010-1 Noteholder that is then classified as Defaulting Noteholder shall not have any right to approve or disapprove any amendment, waiver or consent under any Series 2010-1 Related Document (and any amendment, waiver or consent which by its terms requires the consent of all Series 2010-1 Noteholders or each affected Series 2010-1 Noteholder may be effected with the consent of the applicable Series 2010-1 Noteholders other than Defaulting Noteholders), except that (A) the Series 2010-1 Note Commitment of any Defaulting Noteholder may not be increased or extended without the consent of such Series 2010-1 Noteholder and (B) any waiver, amendment or modification requiring the consent of all Series 2010-1 Noteholders or each affected Series 2010-1 Noteholder that by its terms affects any Defaulting Noteholder more adversely than other affected Series 2010-1 Noteholders shall require the consent of such Defaulting Noteholder.

(ii) Limited Right of Set-off. During the period from the Closing Date to the Conversion Date, any amounts on deposit in the Series 2010-1 Series Account which would otherwise be payable as principal, interest, fees or other amounts (whether payable pursuant to **Section 303** or otherwise) to a Series 2010-1 Noteholder that is then classified as a Defaulting Noteholder, shall, in accordance with the written direction of the Issuer, be applied to fund to the Issuer any previously requested Series 2010-1 Advance in respect of which such Defaulting Noteholder has failed to fund its portion thereof as required by the terms of the Series 2010-1 Related Documents . Any payments, prepayments or other amounts paid or payable to a Defaulting Noteholder that are so applied shall be deemed paid to and redirected by such Defaulting Noteholder, and each Series 2010-1 Noteholder is hereby deemed to have irrevocably consented to this treatment.

(iii) Unused Fees. A Defaulting Noteholder shall not be entitled to receive any Unused Fee accrued during any period in which such Series 2010-1 Noteholder is a Defaulting Noteholder (and the Issuer shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Noteholder).

(b) Replacement of Defaulting Noteholder. The Issuer may, at its sole expense and effort, upon not less than three Business Days prior written notice to a Defaulting Noteholder, require such Defaulting Noteholder to transfer and assign, without recourse (in

accordance with and subject to the restrictions contained in the Indenture), all of its interests, rights and obligations under its Series 2010-1 Note to an assignee that shall assume such assigned obligations (which assignee may or may not be another Series 2010-1 Noteholder, if a Series 2010-1 Noteholder accepts such assignment, but is not required to be another Series 2010-1 Noteholder); *provided that* (A) such Defaulting Noteholder shall have received payment of an amount equal to the outstanding principal of its Series 2010-1 Note, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Series 2010-1 Related Documents, excluding Breakage Costs, from the Issuer or the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuer (in the case of all other amounts), except to the extent that any Unused Fees are not due and payable to such Defaulting Noteholder pursuant to **Section 209(a)(iii)**; and (B) such assignment does not conflict with Applicable Law.

(c) Defaulting Noteholder Cure. If through the application of the provisions of **Section 209(a)(ii)** hereof or otherwise by the Defaulting Noteholder, a Defaulting Noteholder shall have fully funded all Series 2010-1 Advances that it has previously failed to fund, such Person shall cease to be classified as a Defaulting Noteholder.

ARTICLE III
Series 2010-1 Series Account and Allocation and Application of Amounts Therein

Section 301. Series 2010-1 Series Account. The Issuer shall establish on the Closing Date and maintain, so long as any Series 2010-1 Note is Outstanding, an Eligible Account with the Indenture Trustee which shall be designated as the Series 2010-1 Series Account, which account shall be held by the Indenture Trustee for the benefit of the Series 2010-1 Noteholders. All deposits of funds by or for the benefit of the Series 2010-1 Noteholders from the Trust Account and the Restricted Cash Account shall be accumulated in, and withdrawn from, the Series 2010-1 Series Account in accordance with the provisions of the Indenture and this Supplement. The Issuer hereby grants to the Indenture Trustee, for the benefit of the Series 2010-1 Noteholders, a security interest in the Series 2010-1 Series Account, all cash and Eligible Investments on deposit therein, all securities entitlement credited thereto, and income and proceeds of the foregoing.

Section 302. Drawing Funds from the Restricted Cash Account.

(a) In the event that the Manager Report with respect to any Determination Date shall state that (or the Administrative Agent shall, pursuant to **Section 302(c)** of the Indenture, determine that) the funds on deposit in the Series 2010-1 Series Account will not be sufficient to make payment in full on the related Payment Date of the related Interest Payment then due for the Series 2010-1 Notes (the amount of such deficiency, the "**Permitted Interest Withdrawal**"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the lesser of (x) the Permitted Interest Withdrawal, and (y) the amount then on deposit in the Restricted Cash Account.

(b) In the event that the Manager Report delivered with respect to the Determination Date immediately preceding the Series 2010-1 Legal Final Payment Date shall state that (or the Administrative Agent shall, pursuant to **Section 302(c)** of the Indenture,

determine that) the funds on deposit in the Series 2010-1 Series Account will not be sufficient to make payment in full on the Series 2010-1 Legal Final Payment Date of the then Aggregate Series 2010-1 Note Principal Balance (the amount of such deficiency, the " **Permitted Principal Withdrawal**"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the least of (w) the Aggregate Series 2010-1 Note Principal Balance, (x) the Permitted Principal Withdrawal, (y) the Maximum Principal Withdrawal Amount as calculated for Series 2010-1 and (z) the amount then on deposit in the Restricted Cash Account.

(c) Drawings will be made pursuant to **Section 302(a)** before any drawing is made on such date pursuant to **Section 302(b)**, and notice of each such drawing will be delivered to the Manager, by hand delivery or facsimile transmission. Any such funds actually received by the Indenture Trustee pursuant to **Section 302(a)** or **Section 302(b)** shall be used solely to make payments of the Series 2010-1 Note Interest Payment or the Aggregate Series 2010-1 Note Principal Balance, as the case may be.

Section 303. Distribution from Series 2010-1 Series Account. On each Payment Date, the Indenture Trustee shall distribute funds then on deposit in the Series 2010-1 Series Account in accordance with the provisions of either Part (I), (II) or (III) of this **Section 303**, in each case, subject to **Section 209**:

(I) If neither an Early Amortization Event nor an Event of Default shall have occurred and be continuing with respect to any Series of Notes:

(1) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Interest Payment allocated to Series 2010-1, as follows: (A) such Holder's Pro Rata portion of the Series 2010-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's Pro Rata portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Minimum Principal Payment Amount then due and payable to Series 2010-1 Noteholders on such Payment Date;

(3) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Scheduled Principal Payment Amount then due and payable to Series 2010-1 Noteholders on such Payment Date;

(4) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion (if any) of the Supplemental Principal Payment Amount then due and payable to Series 2010-1 Noteholders on such Payment Date;

(5) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date and each other Indemnified Party, its *pari passu* and *pro rata* portion of an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Additional Principal Payment Amounts, indemnities and other amounts (including Default

Interest) then due and payable to the Series 2010-1 Noteholders and each other Indemnified Party pursuant to the Series 2010-1 Related Documents; and

(6) To the Issuer, any remaining amounts then on deposit in the Series 2010-1 Series Account.

(II) If an Early Amortization Event shall have occurred and be continuing with respect to any Series but no Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Interest Payment allocated to Series 2010-1, as follows: (A) such Holder's Pro Rata portion of the Series 2010-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's Pro Rata portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Minimum Principal Payment Amount then due and payable to Series 2010-1 on such Payment Date;

(3) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Scheduled Principal Payment Amount then due and payable to Series 2010-1 on such Payment Date;

(4) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the then Aggregate Series 2010-1 Note Principal Balance until the Aggregate Series 2010-1 Note Principal Balance has been reduced to zero;

(5) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date and each other Indemnified Party, its Pro Rata portion of an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, indemnities and other amounts (including Default Interest) then due and payable to Series 2010-1 Noteholders and each Indemnified Party pursuant to the Series 2010-1 Related Documents; and

(6) After application of the amounts required to be paid pursuant to **Section 302** of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2010-1 Series Account.

(III) If an Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date, an amount equal to its Pro Rata portion of the Interest Payment allocated to Series 2010-1, as follows: (A) such Holder's Pro Rata portion of the Series 2010-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's Pro Rata portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date its Pro Rata portion of an amount equal to the then Aggregate Series 2010-1 Note Principal Balance until the Series 2010-1 Notes are paid in full;

(3) To each Holder of a Series 2010-1 Note on the immediately preceding Record Date and each other Indemnified Party, its Pro Rata portion of an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, indemnities and other amounts (including Default Interest) then due and payable to the Series 2010-1 Noteholders and each other Indemnified Party pursuant to the Series 2010-1 Related Documents; and

(4) After application of the amounts required to be paid pursuant to **Section 302** of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2010-1 Series Account.

ARTICLE IV
Additional Covenants and Agreements

In addition to the covenants set forth in Article VI of the Indenture, the Issuer hereby makes the following additional covenants for the benefit of the Series 2010-1 Noteholders:

Section 401. Rule 144A. So long as any of the Series 2010-1 Notes are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall, unless it becomes subject to and complies with the reporting requirements of Section 13 and 15(d) of the Exchange Act, or Rule 12g3-2(b) thereunder, provide to any Series 2010-1 Noteholder of such restricted securities, or to any prospective Series 2010-1 Noteholder of such restricted securities designated by a Series 2010-1 Noteholder, upon the request of such Series 2010-1 Noteholder or prospective Series 2010-1 Noteholder, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Section 402. Depreciation Policy. For purposes of the Asset Base calculation, the Issuer will not revise the Depreciation Policy with respect to the Managed Containers in such a way as to reduce the amount of depreciation expense that would be recorded in any year from that which would have been recorded pursuant to the Depreciation Policy without obtaining in each such instance (i) the prior written consent of all of the Series 2010-1 Noteholders (other than any Defaulting Noteholders) and (ii) satisfaction of the Rating Agency Condition.

Section 403. Perfection Requirements. The Issuer will not (a) change any of (i) its corporate name or (ii) the name under which it does business or (b) amend any provision of its certificate of formation or operating agreement or become organized under the laws of any other jurisdiction without the prior written consent of the Control Party.

Section 404. United States Federal Income Tax Election. The Issuer shall not make an election to be classified as an association taxable as a corporation pursuant to Section 301.7701-3 of the United States Treasury Regulations.

Section 405. OFAC Matters. The Issuer shall not in an manner which would violate the laws of the United States, other than pursuant to a license issued by OFAC (i) lease, or consent to

any sublease of, any of the Containers to any Person that is a Prohibited Person or (ii) derive any of its assets or operating income from investments in or transactions with any such Prohibited Person. If the Issuer obtains knowledge that a Container is subleased to a Prohibited Person or located or used in a Prohibited Jurisdiction in a manner which would violate the laws of the United States (other than pursuant to a license issued by OFAC), then the Issuer shall, within ten (10) Business Days after obtaining knowledge thereof, remove such Container from the Asset Base for so long as such condition continues.

ARTICLE V
Conditions of Effectiveness and Future Lending

Section 501. Effectiveness of Supplement. The effectiveness hereof is subject to the condition precedent that the Indenture Trustee shall have received all of the following, each duly executed and dated as of the Closing Date, in form and substance satisfactory to all of the initial Series 2010-1 Noteholders and each (except for the Series 2010-1 Notes, of which only the originals shall be signed) in sufficient number of signed counterparts to provide one for each Series 2010-1 Noteholder:

(a) Series 2010-1 Notes. Separate Series 2010-1 Notes executed by the Issuer in favor of each Series 2010-1 Noteholder in the stated maximum principal amount equal to the Series 2010-1 Note Commitment of such Series 2010-1 Noteholder.

(b) Certificate(s) of Secretary or Assistant Secretary or Officer . Separate certificates executed by the corporate secretary, assistant secretary or authorized officer of each of the Manager and the Issuer, dated the Closing Date, certifying (i) that the respective company has the authority to execute and deliver, and perform its respective obligations under each of the Series 2010-1 Related Documents to which it is a party, and (ii) that attached are true, correct and complete copies of the Memorandum of Association, Certificate of Incorporation, bye-laws, board resolutions and incumbency certificates of the related company in form and substance satisfactory to each Deal Agent as to such matters as the Deal Agent shall reasonably require.

(c) Security Documents. This Supplement and a control agreement with respect to the Series 2010-1 Series Account, each in form and substance satisfactory to all of the initial Series 2010-1 Noteholders, shall have been executed and delivered by the Issuer, and all other parties thereto, together with all UCC financing statements, documents of similar import in other jurisdictions, and other documents reasonably requested by any Deal Agent.

(d) Opinions of Counsel. Opinions from counsel to the Issuer and counsel to the Manager (and reliance letters regarding existing opinions for Series 2010-1 Noteholders that require such reliance letters) each in form and in substance satisfactory to each Deal Agent as to such matters as it shall reasonably require including, without limitation, that the Issuer has granted a first priority perfected security interest in the Collateral to the Indenture Trustee.

(e) Conditions Precedent. All of the conditions precedent to the issuance of Series 2010-1 as set forth in **Section 1006** of the Indenture shall have been satisfied and each of the Deal Agents shall have received copies of all documents delivered in connection with the satisfaction of such conditions precedent.

(f) Certificate as to Containers. A certificate from the Manager certifying that it is managing all of the Containers in accordance with the Management Agreement in satisfactory form shall have been duly executed and delivered.

(g) Enforceability, True Sale and Nonconsolidation Opinions. Each of Conyers Dill & Pearman and Morrison & Foerster LLP shall have delivered its opinions as to enforceability, true sale and non-consolidation in form and substance acceptable to the Deal Agents.

(h) Fees. The Issuer shall have paid all fees to each Deal Agent in accordance with its respective Fee Letter.

(i) Rating Letter. As of the Closing Date, each of Standard & Poor's and Moody's shall have issued a rating with respect to Series 2010-1 Notes of not less than "A-" and "Baa1", respectively, and each Series 2010-1 Noteholder shall have received a copy of each rating letter.

(j) Repayment of Series 2000-1 Notes. The principal balance of, and all accrued interest on and other amounts owing with respect to, the Series 2000-1 Notes shall have been paid in full and all funding commitments of each Series 2000-1 Noteholders and its Related Group under the Series 2000-1 Related Documents shall have been terminated.

(k) Opinion of Counsel to the Indenture Trustee. An opinion of counsel to the Indenture Trustee as to the due organization of the Indenture Trustee, the enforceability of the Indenture and as to such other matters as each Deal Agent may reasonably request.

(l) No other Series of Warehouse Notes. After giving effect to the repayment set forth in clause (j), no other Series of Warehouse Notes shall then be outstanding.

Section 502. Subsequent Advances on Series 2010-1 Notes. The obligation of a Series 2010-1 Noteholder to make any Series 2010-1 Advance on the Series 2010-1 Note pursuant to its Series 2010-1 Note Commitment under this Supplement and the Series 2010-1 Note Purchase Agreement is subject to the following further conditions precedent:

(a) Default. Before and after giving effect to such Series 2010-1 Advance, no Event of Default shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both).

(b) Early Amortization Event. Before and after giving effect to such advance, no Early Amortization Event shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both) unless such Series 2010-1 Advance has been approved by each Series 2010-1 Noteholder (other than a then Defaulting Noteholder).

(c) Certification. The Issuer shall have delivered to the Deal Agents a compliance certificate, signed by an officer of Issuer, certifying that (A) the Issuer has complied with all of the conditions precedent set forth in **Sections 501** and **502** hereof; (B) all of the representations and warranties of the Issuer, the Seller and the Manager contained in any of the Series 2010-1 Related Documents are true and correct in all material respects as of the date of

such Series 2010-1 Advance, except to the extent such representations and warranties specifically relate to an earlier date, in which event they shall be true, correct and complete in all material respects as of such earlier date; and (C) all of the conditions precedent to the making of such Series 2010-1 Advance have been satisfied.

(d) Asset Base Report. The Issuer shall have delivered to each Deal Agent a duly completed and executed Asset Base Report, determined after giving effect to any Eligible Containers to be acquired with the proceeds of such Series 2010-1 Advance, which demonstrates that, after giving effect to such Series 2010-1 Advance, the sum of the then unpaid principal balance of all Series of Notes then Outstanding (calculated after giving effect to the requested Series 2010-1 Advance) does not exceed the Asset Base.

(e) Conversion Date. The Conversion Date shall not have occurred, unless such Series 2010-1 Advance has been approved by each Series 2010-1 Noteholder (other than a then Defaulting Noteholder).

ARTICLE VI
Representations and Warranties

To induce the Series 2010-1 Noteholders to purchase the Series 2010-1 Notes hereunder, the Issuer hereby represents and warrants to the Series 2010-1 Noteholders that:

Section 601. Existence. The Issuer is a company duly organized, validly existing and in compliance under the laws of Bermuda. The Issuer is in good standing and is duly qualified to do business in each jurisdiction where the failure to do so would have a material adverse effect upon the Issuer and in each jurisdiction in which a failure to so qualify would materially and adversely effect the ability of the Indenture Trustee to enforce its security interest in the Collateral.

Section 602. Authorization. The Issuer has the power and is duly authorized to execute and deliver this Supplement and the other Series 2010-1 Related Documents to which it is a party. The Issuer is and will continue to be duly authorized to borrow monies hereunder; and the Issuer is and will continue to be authorized to perform its obligations under this Supplement and under the other Series 2010-1 Related Documents. The execution, delivery and performance by the Issuer hereof and the other Series 2010-1 Related Documents to which it is a party and the borrowings hereunder do not and will not require any consent or approval of any Governmental Authority, stockholder or any other Person which has not already been obtained.

Section 603. No Conflict, Legal Compliance. The execution, delivery and performance hereof and each of the other Series 2010-1 Related Documents and the execution, delivery and payment of the Series 2010-1 Notes will not: (a) contravene any provision of Issuer's memorandum of association or bye-laws; (b) contravene, conflict with or violate any Applicable Law or regulation, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority; or (c) violate or result in the breach of, or constitute a default under the Indenture, the Series 2010-1 Related Documents, any other indenture or other loan or credit agreement, or other agreement or instrument to which the Issuer is a party or by which the Issuer, or its property and assets may be bound or affected. Issuer is not in violation or breach of or default under any law, rule, regulation, order, writ, judgment, injunction, decree,

determination or award or any contract, agreement, lease, license, indenture or other instrument to which it is a party.

Section 604. Validity and Binding Effect. This Supplement is, and each Series 2010-1 Related Document to which Issuer is a party, when duly executed and delivered, will be, the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

Section 605. Financial Statements. Since December 31, 2009, there has been no Material Adverse Change in the financial condition of any of the Issuer, either Seller or the Manager.

Section 606. Executive Offices. The Issuer's only "**place of business**" (within the meaning of 9-307 of the UCC) is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer does not maintain an office or assets in the United States, other than (i) the Trust Account, the Restricted Cash Account and the Series Accounts and (ii) off-hire containers located in depots in the United States and containers described in **Section 606(g)** of the Indenture.

Section 607. No Agreements or Contracts. The Issuer is not now and has not been a party to any contract or agreement (whether written or oral) other than the Series 2000-1 Related Documents or the Series 2005-1 Related Documents (as such term is defined in the Supplement for such Series), the Related Documents and the Members Agreement.

Section 608. Consents and Approvals. No approval, authorization or consent of any trustee or holder of any Indebtedness or obligation of Issuer or of any other Person under any agreement, contract, lease or license or similar document or instrument to which Issuer is a party or by which Issuer is bound, is required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2010-1 Related Documents, except for those approvals, authorizations and consents that have been obtained on or prior to the Closing Date. All consents and approvals of, filings and registrations with, and other actions in respect of, all Governmental Authorities required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2010-1 Related Documents have been, or prior to the time when required will have been, obtained, given, filed or taken and are or will be in full force and effect.

Section 609. Margin Regulations. Issuer does not own any "**margin security**", as that term is defined in Regulation U of the Federal Reserve Board, and the proceeds of the Series 2010-1 Notes issued under this Supplement will be used only for the purposes contemplated hereunder. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the loans under this Supplement to be considered a "**purpose credit**" within the meaning of Regulations T, U and X. Issuer will not take or permit any agent acting on its behalf to take any action which might cause this Supplement or any

document or instrument delivered pursuant hereto to violate any regulation of the Federal Reserve Board.

Section 610. Taxes. All federal, state, local and foreign tax returns, reports and statements required to be filed by Issuer have been filed with the appropriate Governmental Authorities, and all Taxes, Other Taxes and other impositions shown thereon to be due and payable by Issuer have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof, or any such fine, penalty, interest, late charge or loss has been paid, or Issuer is contesting its liability therefor in good faith and has fully reserved all such amounts according to GAAP in the financial statements provided to the Noteholders pursuant to **Section 626** of the Indenture. Issuer has paid when due and payable all material charges upon the books of Issuer and no Governmental Authority has asserted any Lien against Issuer with respect to unpaid Taxes or Other Taxes. Proper and accurate amounts have been withheld by Issuer from its employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective Governmental Authorities.

Section 611. Other Regulations. Issuer is not an "**investment company,**" or an "**affiliated person**" of, or a "**promoter**" or "**principal underwriter**" for, an "**investment company,**" as such terms are defined in the Investment Company Act of 1940, as amended. The issuance of the Series 2010-1 Notes hereunder and the application of the proceeds and repayment thereof by Issuer and the performance of the transactions contemplated by this Supplement and the other Series 2010-1 Related Documents will not violate any provision of the Investment Company Act, or any rule, regulation or order issued by the SEC thereunder.

Section 612. Solvency and Separateness.

(i) The capital of the Issuer is adequate for the business and undertakings of the Issuer.

(ii) Other than with respect to the transactions contemplated hereby, by the Series 2000-1 Related Documents and by the Series 2005-1 Related Documents, the Issuer is not engaged in any business transactions with the Sellers or the Manager except as permitted by the Management Agreement, the Contribution and Sale Agreement or the Members Agreement.

(iii) The bye-laws of the Issuer provide that the Issuer shall have four directors (three directors appointed by Textainer Limited, and one director appointed by TCG Fund) unless increased to five under certain circumstances described in the bye-laws, including, but not limited to, those discussed below. In the event of a resolution to institute voluntary Insolvency Proceedings on behalf of the Issuer, the bye-laws of the Issuer further provide that the number of directors is automatically increased to five and an independent director from the Director Services Provider is elected by a majority of the directors. Such independent director shall participate solely in the vote on the voluntary Insolvency Proceedings and shall cease to be a director immediately following such vote. No action can be taken to institute voluntary Insolvency Proceedings

on behalf of the Issuer unless such action shall have been approved or authorized by (x) a resolution of the board of directors of the Issuer for which at least ninety-nine percent (99%) of all directors (including the independent director) of the Issuer have voted in favor and (y) a resolution of the members of the Issuer representing at least ninety-nine percent (99%) of all Class A Shares (as defined in the Issuer's bye-laws) and Class B Shares (as defined in the Issuer's bye-laws) of the Issuer and (z) a resolution of the members of the Issuer representing at least ninety-nine percent (99%) of all Class C Shares (as defined in the Issuer's bye-laws) of the Issuer then issued and outstanding.

(iv) The Issuer's funds and assets are not, and will not be, commingled with those of the Sellers or the Manager, except as permitted by the Management Agreement.

(v) The bye-laws of the Issuer require it to maintain correct and complete books and records of account, and Bermuda law requires it to maintain minutes of the meetings and other proceedings of its members.

(vi) The Issuer is not insolvent under the Insolvency Law and will not be rendered insolvent by the transactions contemplated by the Series 2010-1 Related Documents and after giving effect to such transactions, the Issuer will not be left with an unreasonably small amount of capital with which to engage in its business nor will the Issuer have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation Proceedings or the appointment of a receiver, liquidator, trustee or similar official in respect of the Issuer or any of its assets.

Section 613. Survival of Representations and Warranties. So long as any of the Series 2010-1 Notes shall be Outstanding and until payment and performance in full of the Aggregate Outstanding Obligations, the representations and warranties contained herein shall have a continuing effect as having been true when made.

Section 614. No Default. No Event of Default or Early Amortization Event (or event or condition which with the giving of notice or passage of time or both would become an Event of Default or Early Amortization Event) has occurred and is continuing.

Section 615. Litigation and Contingent Liabilities. No claims, litigation, arbitration Proceedings or governmental Proceedings by any Governmental Authority are pending or threatened against or are affecting the Issuer or any of its Affiliates the results of which might interfere with the consummation of any of the transactions contemplated by this Supplement or any document issued or delivered in connection herewith.

Section 616. Subsidiaries. Issuer has had no subsidiaries.

Section 617. No Partnership. Issuer is not a partner or joint venturer in any partnership or joint venture.

Section 618. Pension and Welfare Plans. No accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA) or reportable event (within the meaning of Section 4043 of ERISA), has occurred with respect to any Plan of the Issuer or any ERISA Affiliate. The present value of all benefit liabilities under all Plans of the Issuer or any ERISA Affiliate subject to Title IV of ERISA, as defined in Section 4001(a)(16) of ERISA, exceeds the fair market value of all assets of Plans subject to Title IV of ERISA (determined as of the most recent valuation date for such Plan on the basis of assumptions prescribed by the Pension Benefit Guaranty Corporation for the purpose of Section 4044 of ERISA), by no more than $1.9 million. Neither Issuer nor any ERISA Affiliate is subject to any present or potential withdrawal liability pursuant to Title IV of ERISA and no multiemployer plan (with the meaning of Section 4001(a)(3) of ERISA) to which the Issuer or any ERISA Affiliate has an obligation to contribute or any liability, is or is likely to be disqualified for tax purposes, in reorganization within the meaning of Section 4241 of ERISA or Section 418 of the Code) or is insolvent (as defined in Section 4245 of ERISA). No liability (other than liability to make periodic contributions to fund benefits) with respect to any Plan of Issuer, or Plan subject to Title IV of ERISA or any ERISA Affiliate, has been, or is expected to be, incurred by Issuer or an ERISA Affiliate, either directly or indirectly. All Plans of Issuer are in material compliance with ERISA and the Code. No lien under Section 412 of the Code or 302(f) of ERISA or requirement to provide security under the Code or ERISA has been or is reasonably expected by Issuer to be imposed on its assets. The Issuer does not have any obligation under any collective bargaining agreement. As of the Closing Date, the Issuer is not an "**employee benefit plan**" with the meaning of ERISA or a "**plan**" within the meaning of Section 4975 of the Code and assets of the Issuer do not constitute "**plan assets**" within the meaning of Section 2510.3-101 of the regulations of the Department of Labor.

Section 619. Ownership of Issuer. The Issuer has three classes of ordinary shares outstanding as of the Closing Date: the Class A Shares, the Class B Shares and the Class C Shares. The Class A Shares represent the only class of shares of the Issuer with voting rights at all times and, as of the Closing Date, 12,000 Class A Shares are outstanding and are owned in the following amounts: 9,000 by Textainer Limited, a Bermuda company, and 3,000 by TCG Fund. The Class B Shares do not have voting rights (other than with respect to (i) any matter that seeks to vary the rights of the holder of the Class B Shares, (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer and (iii) amending the bye-laws of the Issuer giving rise to such right) and all of such Class B Shares are owned by Textainer Limited on the Closing Date. The Class C Shares do not have voting rights (other than with respect to (i) any matter that seeks to vary the rights of the holder of the Class C Shares, (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer and (iii) amending the bye-laws of the Issuer giving rise to such right) and all of such Class C Shares are owned by AMACAR Investments LLC, a Delaware limited liability company, on the Closing Date.

Section 620. Use of Proceeds. The Issuer shall use the proceeds from the issuance of the Series 2010-1 Notes (i) to acquire Containers and other Collateral, (ii) to pay the costs of issuance of the Series 2010-1 Notes and (iii) for general corporate purposes. For avoidance of doubt, the Issuer may use the proceeds of any Series 2010-1 Advance to make payments on, or in respect of, any other Series of Notes.

Section 621. Security Interest Representations.

(a) This Supplement and the Indenture create a valid and continuing security interest (as defined in the UCC) in the Collateral in favor of the Indenture Trustee, for the benefit of the Noteholders, Deal Agents, and any Interest Rate Hedge Provider (in each case to the extent of their interest therein), which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The Containers constitute "**goods**" or "**inventory**" within the meaning of the applicable UCC. The Leases constitute "**tangible chattel paper**" within the meaning of the UCC. The lease receivables constitute "**accounts**", "**chattel paper**" and/or "**proceeds**" of the Leases within the meaning of the UCC. The Trust Account, the Restricted Cash Account and the Series Accounts constitute "**securities accounts**" within the meaning of the UCC. The Issuer's contractual rights under any Interest Rate Hedge Agreements, the Contribution and Sale Agreement and the Management Agreement constitute "**general intangibles**" within the meaning of the UCC.

(c) The Issuer owns and has good and marketable title to the Collateral, free and clear of any Lien (whether senior, junior or *pari passu*), claim or encumbrance of any Person, except for Permitted Encumbrances.

(d) The Issuer has caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Indenture Trustee in this Supplement and the Indenture. All financing statements filed against the Issuer in favor of the Indenture Trustee in connection herewith describing the Collateral contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Indenture Trustee."

(e) Other than the security interest granted to the Indenture Trustee pursuant to this Supplement and the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral, except as permitted pursuant to the Indenture. The Issuer has not authorized the filing of, and is not aware of, any financing statements against the Issuer that include a description of collateral covering the Collateral other than any financing statement or document of similar import (i) relating to the security interest granted to the Indenture Trustee in this Supplement or the Indenture or (ii) that has been terminated. The Issuer has no actual knowledge of any judgment or tax lien filings against the Issuer.

(f) The Issuer has received a written acknowledgment from the Manager that the Manager or an Affiliate thereof is holding the Leases, to the extent they relate to the Managed Containers, on behalf of, and for the benefit of, the Indenture Trustee. None of the Leases that constitute or evidence the Collateral have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person. The Sellers have caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest of the Issuer (and the Indenture Trustee as its assignee) in the Leases (to the extent that such Leases relate to the Managed Containers) transferred to the Issuer in the Contribution and Sale Agreement.

(g) The Issuer has received all necessary consents and approvals required by the terms of the Collateral to the pledge to the Indenture Trustee of its interest and rights in such Collateral hereunder or under the Indenture.

(h) The Issuer has taken all steps necessary to cause Wells Fargo Bank, National Association (in its capacity as securities intermediary) to identify in its records the Indenture Trustee as the Person having a Security Entitlement in each of the Trust Account, the Restricted Cash Account and the Series 2010-1 Series Account.

(i) The Trust Account, the Restricted Cash Account and Series 2010-1 Series Account are not in the name of any Person other than the Indenture Trustee. The Issuer has not consented to Wells Fargo Bank, National Association (as the securities intermediary of the Trust Account, the Restricted Cash Account and the Series 2010-1 Series Account) agreeing to comply with entitlement orders of any Person other than the Indenture Trustee.

(j) No creditor of the Issuer (other than (x) with respect to the Managed Containers, the related lessee and (y) the Manager in its capacity as Manager under the Management Agreement) has in its possession any goods that constitute or evidence the Collateral.

The representations and warranties set forth in this **Section 621** shall survive until this Supplement is terminated in accordance with its terms and the terms of the Indenture. Any breaches of the representations and warranties set forth in this **Section 621** may be waived by the Indenture Trustee, only with the prior written consent of the Control Party and with the prior satisfaction of the Rating Agency Condition.

ARTICLE VII
Miscellaneous Provisions

Section 701. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 702. Counterparts. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart hereof by facsimile or by electronic means shall be equally effective as the delivery of an originally executed counterpart.

Section 703. Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 704. Notices. All demands, notices and communications hereunder shall be in writing, personally delivered, or by facsimile (with subsequent telephone confirmation of receipt thereof), or sent by internationally recognized overnight courier service, (a) in the case of the Indenture Trustee, at the following address: Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota, 55479, Attention: Corporate Trust Services/Asset-Backed Administration (b) in the case of the Issuer, at the following address: Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Executive Vice President - Asset Management, with a copy to each: (i) Textainer Equipment Management Limited at its address at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Executive Vice President - Asset Management, and (ii) Textainer Equipment Management (U.S.) Limited at its address at 650 California Street, 16th floor, San Francisco, CA 94108, Telephone: (415) 658-8363, Facsimile: (415) 434-0599, Attention: Executive Vice President - Asset Management, and (c) in the case of Rating Agencies, to each of the following: (i) Standard & Poor's Ratings Services, 55 Water Street, New York, NY 10041-0003, and (ii) Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, Attn: ABS & RMBS Monitoring, New York, NY 10007, or at such other address as shall be designated by such party in a written notice to the other parties. Any notice required or permitted to be given to a Noteholder shall be given by certified first class mail, postage prepaid (return receipt requested), or by courier, or by facsimile, with subsequent telephone confirmation of receipt thereof, in each case at the address of such Holder as shown in the Note Register or to the telephone and fax number furnished by such Noteholder. Notice shall be effective and deemed received (a) upon receipt, if sent by courier or U.S. mail, (b) upon receipt of confirmation of transmission, if sent by facsimile, or (c) when delivered, if delivered by hand. Any rights to notices conveyed to a Rating Agency pursuant to the terms hereof with respect to any Series or Class shall terminate immediately if such Rating Agency no longer has a rating outstanding with respect to such Series or Class.

Section 705. Amendments and Modifications.

(a) Subject to **Section 209(a)(i)**, the terms hereof may be waived, modified, or amended only in a written instrument signed by each of the Issuer, the Control Party and the Indenture Trustee (except with respect to the matters set forth in **Section 1001(a)** of the Indenture, in the case of which any such waiver, modification or amendment shall be made subject to the terms of such **Section 1001**). Any amendment to or modification or waiver hereof shall be deemed a supplemental indenture subject to **Sections 1001** or **1002** of the Indenture. Subject to **Section 209(a)(i)**, the Series 2010-1 Note Commitment of an individual Series 2010-1 Noteholder may only be increased and the Conversion Date may only be extended, and the Series 2010-1 Note Purchase Agreement may only be amended, in accordance with the provisions of **Section 9.1** of the Series 2010-1 Note Purchase Agreement. In addition, subject to **Section 209(a)(i)**, any waiver of any conditions precedent set forth in **Article V** hereof or a reduction, modification or amendment of any indemnification or Breakage Costs or amounts under **Sections 205**, **206** and **207** owing to any Series 2010-1 Noteholder shall require the consent of each affected Series 2010-1 Noteholder.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any written instrument pursuant to this Section, the Indenture Trustee shall mail to each Rating

Agency, the Noteholders, Deal Agents, the Administrative Agent, and each Interest Rate Hedge Provider, a copy of the text of such Supplement. Any failure of the Indenture Trustee to mail such copy, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 706. Consent to Jurisdiction. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS SUPPLEMENT, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES NATIONAL CORPORATE RESEARCH LTD. HAVING AN ADDRESS AT 225 W. 34TH STREET, NEW YORK, NEW YORK 10122, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICE OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS SUPPLEMENT SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 707. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER SERIES 2010-1 RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: Continental Management Limited, its Assistant Secretary

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

EXHIBIT A

Form of Series 2010-1 Note

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY NOT BE OFFERED FOR SALE, TRANSFER OR ASSIGNMENT UNLESS (1) SO REGISTERED OR THE TRANSACTION RELATING THERETO SHALL BE EXEMPT WITHIN THE MEANING OF SUCH ACT AND THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ADOPTED THEREUNDER AND (2) SUCH TRANSACTION COMPLIES WITH THE PROVISIONS SET FORTH IN SECTION 205 OF THE INDENTURE. BECAUSE OF THE PROVISIONS FOR THE PAYMENT OF PRINCIPAL CONTAINED HEREIN, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE INDENTURE TRUSTEE.

TEXTAINER MARINE CONTAINERS LIMITED
SECURED NOTE,
SERIES 2010-1

Up to $[_____],000,000.00

No. [__]
June 29, 2010

KNOW ALL PERSONS BY THESE PRESENTS that Textainer Marine Containers Limited, a company organized and existing under the laws of Bermuda (the "**Issuer**"); for value received, hereby promises to pay to [_____], or registered assigns, at the principal corporate trust office of the Indenture Trustee named below, (i) the principal sum of up to [_____] Million Dollars ($[_____],000,000), which sum shall be payable on the dates and in the amounts set forth in the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, restated, supplemented or modified from time to time, the "**Indenture**"), and the Series 2010-1 Supplement, dated as of June 29, 2010 (as amended, restated, supplemented or modified from time to time, the "**Series 2010-1 Supplement**"), each between the Issuer and Wells Fargo Bank, National Association and (ii) interest on the outstanding principal amount of this Series 2010-1 Note on the dates and in the amounts set forth in the Indenture and the Series 2010-1 Supplement. A record of each Series 2010-1 Advance, Prepayment and repayment shall be made by the related Deal Agent and absent manifest error such record shall be conclusive. Capitalized terms not otherwise defined herein will have the meaning set forth in the Indenture and the Series 2010-1 Supplement.

Payment of the principal of and interest on this Series 2010-1 Note shall be made in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts. The principal balance of, and interest on, this Series 2010-1 Note is payable at the times and in the amounts set forth in the Indenture and the Series 2010-1 Supplement by wire transfer of immediately available funds to the account designated by the Holder of record on the immediately preceding Record Date.

This Series 2010-1 Note is one of the authorized notes identified in the title hereto and issued in the aggregate principal amount of up to Eight Hundred Fifty Million Dollars ($850,000,000.00) pursuant to the Indenture and the Series 2010-1 Supplement.

The Series 2010-1 Notes shall be an obligation of the Issuer and shall be secured by the Collateral, all as defined in, and subject to limitations set forth in, the Indenture and the Series 2010-1 Supplement.

This Series 2010-1 Note is transferable as provided in the Indenture and the Series 2010-1 Supplement, subject to certain limitations therein contained, only upon the books for registration and transfer kept by the Indenture Trustee, and only upon surrender of this Series 2010-1 Note for transfer to the Indenture Trustee duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Indenture Trustee duly executed by, the registered Holder hereof or his attorney duly authorized in writing. The Indenture Trustee or the Issuer may require payment by the Holder of a sum sufficient to cover any tax, expense, or other governmental charge payable in connection with any transfer or exchange of this Series 2010-1 Note.

The Issuer, the Indenture Trustee and any agent of the Issuer may treat the person in whose name this Series 2010-1 Note is registered as the absolute owner hereof for all purposes, and neither the Issuer, the Indenture Trustee, nor any other such agent shall be affected by notice to the contrary.

This Series 2010-1 Note is subject to Prepayment, at the times and subject to the conditions set forth in the Indenture and the Series 2010-1 Supplement.

If an Event of Default or Early Amortization Event shall occur and be continuing, the principal of and accrued interest on this Series 2010-1 Note may be declared to be due and payable in the manner and with the effect provided in the Indenture and the Series 2010-1 Supplement.

The Indenture permits, with certain exceptions as therein provided, the issuance of supplemental indentures with the consent of the Requisite Global Majority, in certain specifically described instances. Any consent given by the Requisite Global Majority shall be conclusive and binding upon the Holder of this Series 2010-1 Note and on all future holders of this Series 2010-1 Note and of any Series 2010-1 Note issued in lieu hereof whether or not notation of such consent is made upon this Series 2010-1 Note. Supplements and amendments to the Indenture and the Series 2010-1 Supplement may be made only to the extent and in circumstances permitted by the Indenture and the Series 2010-1 Supplement.

The Holder of this Series 2010-1 Note shall have no right to enforce the provisions of the Indenture or the Series 2010-1 Supplement or to institute action to enforce the covenants, or to take any action with respect to a default under the Indenture or the Series 2010-1 Supplement, or to institute, appear in or defend any suit or other Proceedings with respect thereto, except as provided under certain circumstances described in the Indenture and the Series 2010-1 Supplement; *provided, however*, that nothing contained in the Indenture or the Series 2010-1 Supplement shall affect or impair any right of enforcement conferred on the Holder hereof to enforce any payment of the principal of and interest on this Series 2010-1 Note on or

after the due date thereof; *provided further*, however, that by acceptance hereof the Holder is deemed to have covenanted and agreed that it will not institute against the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation Proceedings, or other Proceedings under any applicable bankruptcy or similar law, at any time other than at such time as permitted by **Section 1311** of the Indenture.

All terms and provisions of the Indenture and the Series 2010-1 Supplement are herein incorporated by reference as if set forth herein in their entirety.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the Series 2010-1 Supplement and the issuance of this Series 2010-1 Note and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee by manual signature of one of its authorized officers, this Series 2010-1 Note shall not be entitled to any benefit under the Indenture or the Series 2010-1 Supplement, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, Textainer Marine Containers Limited has caused this Series 2010-1 Note to be duly executed by its duly authorized representative, on this ___ day of June, 2010.

TEXTAINER MARINE CONTAINERS LIMITED

By: _____

Name: _____

Title: _____

This Note is one of the Series 2010-1 Notes described in the within-mentioned Indenture and the Series 2010-1 Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____

Name: _____

Title: _____

SCHEDULE 1

MINIMUM TARGETED PRINCIPAL BALANCE PERCENTAGE

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
0	100.00000%
1	99.44444%
2	98.88889%
3	98.33333%
4	97.77778%
5	97.22222%
6	96.66667%
7	96.11111%
8	95.55556%
9	95.00000%
10	94.44444%
11	93.88889%
12	93.33333%
13	92.77778%
14	92.22222%
15	91.66667%
16	91.11111%
17	90.55556%
18	90.00000%
19	89.44444%
20	88.88889%
21	88.33333%
22	87.77778%
23	87.22222%
24	86.66667%
25	86.11111%
26	85.55556%
27	85.00000%
28	84.44444%
29	83.88889%
30	83.33333%
31	82.77778%
32	82.22222%
33	81.66667%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
34	81.11111%
35	80.55556%
36	80.00000%
37	79.44444%
38	78.88889%
39	78.33333%
40	77.77778%
41	77.22222%
42	76.66667%
43	76.11111%
44	75.55556%
45	75.00000%
46	74.44444%
47	73.88889%
48	73.33333%
49	72.77778%
50	72.22222%
51	71.66667%
52	71.11111%
53	70.55556%
54	70.00000%
55	69.44444%
56	68.88889%
57	68.33333%
58	67.77778%
59	67.22222%
60	66.66667%
61	66.11111%
62	65.55556%
63	65.00000%
64	64.44444%
65	63.88889%
66	63.33333%
67	62.77778%
68	62.22222%
69	61.66667%
70	61.11111%
71	60.55556%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
72	60.00000%
73	59.44444%
74	58.88889%
75	58.33333%
76	57.77778%
77	57.22222%
78	56.66667%
79	56.11111%
80	55.55556%
81	55.00000%
82	54.44444%
83	53.88889%
84	53.33333%
85	52.77778%
86	52.22222%
87	51.66667%
88	51.11111%
89	50.55556%
90	50.00000%
91	49.44444%
92	48.88889%
93	48.33333%
94	47.77778%
95	47.22222%
96	46.66667%
97	46.11111%
98	45.55556%
99	45.00000%
100	44.44444%
101	43.88889%
102	43.33333%
103	42.77778%
104	42.22222%
105	41.66667%
106	41.11111%
107	40.55556%
108	40.00000%
109	39.44444%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
110	38.88889%
111	38.33333%
112	37.77778%
113	37.22222%
114	36.66667%
115	36.11111%
116	35.55556%
117	35.00000%
118	34.44444%
119	33.88889%
120	33.33333%
121	32.77778%
122	32.22222%
123	31.66667%
124	31.11111%
125	30.55556%
126	30.00000%
127	29.44444%
128	28.88889%
129	28.33333%
130	27.77778%
131	27.22222%
132	26.66667%
133	26.11111%
134	25.55556%
135	25.00000%
136	24.44444%
137	23.88889%
138	23.33333%
139	22.77778%
140	22.22222%
141	21.66667%
142	21.11111%
143	20.55556%
144	20.00000%
145	19.44444%
146	18.88889%
147	18.33333%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
148	17.77778%
149	17.22222%
150	16.66667%
151	16.11111%
152	15.55556%
153	15.00000%
154	14.44444%
155	13.88889%
156	13.33333%
157	12.77778%
158	12.22222%
159	11.66667%
160	11.11111%
161	10.55556%
162	10.00000%
163	9.44444%
164	8.88889%
165	8.33333%
166	7.77778%
167	7.22222%
168	6.66667%
169	6.11111%
170	5.55556%
171	5.00000%
172	4.44444%
173	3.88889%
174	3.33333%
175	2.77778%
176	2.22222%
177	1.66667%
178	1.11111%
179	0.55556%
180	0.00000%

SCHEDULE 2

SCHEDULED TARGETED PRINCIPAL BALANCE PERCENTAGE

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
0	100.00000%
1	99.16667%
2	98.33333%
3	97.50000%
4	96.66667%
5	95.83333%
6	95.00000%
7	94.16667%
8	93.33333%
9	92.50000%
10	91.66667%
11	90.83333%
12	90.00000%
13	89.16667%
14	88.33333%
15	87.50000%
16	86.66667%
17	85.83333%
18	85.00000%
19	84.16667%
20	83.33333%
21	82.50000%
22	81.66667%
23	80.83333%
24	80.00000%
25	79.16667%
26	78.33333%
27	77.50000%
28	76.66667%
29	75.83333%
30	75.00000%
31	74.16667%
32	73.33333%
33	72.50000%

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
34	71.66667%
35	70.83333%
36	70.00000%
37	69.16667%
38	68.33333%
39	67.50000%
40	66.66667%
41	65.83333%
42	65.00000%
43	64.16667%
44	63.33333%
45	62.50000%
46	61.66667%
47	60.83333%
48	60.00000%
49	59.16667%
50	58.33333%
51	57.50000%
52	56.66667%
53	55.83333%
54	55.00000%
55	54.16667%
56	53.33333%
57	52.50000%
58	51.66667%
59	50.83333%
60	50.00000%
61	49.16667%
62	48.33333%
63	47.50000%
64	46.66667%
65	45.83333%
66	45.00000%
67	44.16667%
68	43.33333%
69	42.50000%
70	41.66667%
71	40.83333%

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
72	40.00000%
73	39.16667%
74	38.33333%
75	37.50000%
76	36.66667%
77	35.83333%
78	35.00000%
79	34.16667%
80	33.33333%
81	32.50000%
82	31.66667%
83	30.83333%
84	30.00000%
85	29.16667%
86	28.33333%
87	27.50000%
88	26.66667%
89	25.83333%
90	25.00000%
91	24.16667%
92	23.33333%
93	22.50000%
94	21.66667%
95	20.83333%
96	20.00000%
97	19.16667%
98	18.33333%
99	17.50000%
100	16.66667%
101	15.83333%
102	15.00000%
103	14.16667%
104	13.33333%
105	12.50000%
106	11.66667%
107	10.83333%
108	10.00000%
109	9.16667%

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
110	8.33333%
111	7.50000%
112	6.66667%
113	5.83333%
114	5.00000%
115	4.16667%
116	3.33333%
117	2.50000%
118	1.66667%
119	0.83333%
120	0.00000%

Exhibit 8.1

LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Organization	Name under which Subsidiary does Business
Textainer Limited	Bermuda	Textainer Limited
Textainer Equipment Management Limited	Bermuda	Textainer Equipment Management Limited
Textainer Equipment Management (S) Pte Ltd	Singapore	Textainer Equipment Management (S) Pte Ltd
Textainer Equipment Management (U.S.) Limited	Deleware	Textainer Equipment Management (U.S.) Limited
Textainer Equipment Management (U.K.) Limited	United Kingdom	Textainer Equipment Management (U.K.) Limited
Textainer Marine Containers Limited	Bermuda	Textainer Marine Containers Limited

Exhibit 12.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John A. Maccarone, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 18, 2011

/s/ JOHN A. MACCARONE
John A. Maccarone
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ernest J. Furtado, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 18, 2011

/s/ ERNEST J. FURTADO
Ernest J. Furtado
First Vice President, Senior Vice President,
Chief Financial Officer and Secretary
(Principal Financial Officer)

Exhibit 13.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the "**Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2010 (the " **Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 18, 2011

/s/ JOHN A. MACCARONE

John A. Maccarone
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 13.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the "**Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2010 (the " **Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 18, 2011

/s/ ERNEST J. FURTADO

Ernest J. Furtado
First Vice President, Senior Vice President,
Chief Financial Officer and Secretary
(Principal Financial Officer)

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Textainer Group Holdings Limited:

We consent to the incorporation by reference in the registration statements (Nos. 333-171409 and 333-147961) on Form S-8 and registration statement (No. 333-171410) on Form F-3 of Textainer Group Holdings Limited of our reports dated March 18, 2011, with respect to the consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2010, and the related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2010, which reports appear in the December 31, 2010 annual report on Form 20-F of Textainer Group Holdings Limited.

/s/ KPMG LLP
San Francisco, California
March 18, 2011