GROUPE TOUAX

Your operational leasing solution

Update of the reference document

Interim financial statements as at 30 June 2005

The present update was filed with the Autorité des Marchés Financiers on 28 October 2005 in accordance with article 212-3 of its General Regulations. It is an update of the reference document filed on 3 June 2005 under the number D.05-820. The reference document may be used in connection with a financial transaction if it is accompanied by a transaction note certified by the Autorité des Marchés Financiers.

Persons responsible for the update of the reference document

Fabrice and Raphaël Colonna Walewski

Managers

Certification by the persons responsible for the reference document and its update

Having taken all reasonable measures to this end, we confirm that the information contained in the reference document and its update is, to our knowledge, a true reflection of the actual situation and does not contain any omissions liable to affect its import.

The company has obtained from its statutory auditors an assignment completion letter in which they state that they have conducted an audit, in accordance with the doctrine and professional standards applicable in France, of the information relating to the financial position and the financial statements included in the present prospectus and have read the entire prospectus.

The financial information as at 30 June 2005 presented in this update of the reference document has been the subject of a report by the statutory auditors which appears on page 81 and contains a number of comments.

The forward-looking information presented in this update of the reference document has been the subject of a report by the statutory auditors which appears on page 94 and refers to an inability to reach a conclusion.

28 October 2005

Fabrice and Raphaël Colonna Walewski

General Partners

The commentary on the results of the TOUAX SCA Group on page 10 of part I of the reference document filed under the number D.05-820 is supplemented by the following developments:

Half-year MANAGEMENT REPORT on the interim financial statements as at 30 June 2005

TOUAX is a business-to-business company that specializes in operational leasing.

The Group's business consists of the leasing of four types of mobile, standardized equipment, with a long service life ranging from 15 years to 40 years:

- Shipping containers, with a fleet of around 280,000 TEU (twenty foot equivalent units) throughout the world, placing the Group second in continental Europe and 10th worldwide (source: Containerisation International, Market Analysis, Container Leasing Market 2004),
- Modular buildings for offices, schools and hospitals, which are used by industry, local authorities and the construction and public works sector. TOUAX is the third-largest European leasing company and the sixth-largest in the world, with a fleet of 20,500 units in Europe and the United States (source: TOUAX),
- River barges for leasing and the transportation of dry bulk goods in Europe and the United States. The Group is one of the leading operators in Europe, with transport capacity of around 375,000 tonnes (source: TOUAX),
- Railcars for the transportation of goods by railway companies and major industrial groups in Europe and the USA. The Group manages a fleet of 2,600 railcars.

TOUAX operates in a buoyant market: companies are increasingly outsourcing their non-strategic assets, in favor of leasing solutions which offer them:

- flexible service through short- and long-term operational leases,
- subcontracted maintenance,
- modern equipment in good condition (constantly updated),
- fast availability.

The TOUAX Group was formed in 1898 and has been listed on the Paris stock exchange since 1906.

In July 2005, the TOUAX parent company was converted into a partnership limited by shares, with the objective of raising further capital in the stock market to finance its growth while ensuring long-term management.

➢ IFRS – International Financial Reporting Standards

The financial statements for the first half of 2005 have been prepared under IFRS standards in accordance with the regulations in force. The financial statements for the first half of 2004 and those for full-year 2004 have been adjusted in accordance with these standards. Differences between the treatment under the French GAAP previously used and the international standards are detailed in the reference document for full-year 2004 which was registered with the Autorité des Marchés Financiers on 3 June 2005 and in the notes to the financial statements for the first half of 2005.

Standards IAS 32 and IAS 39 relating to financial instruments came into force in 2005. The retrospective application of these standards by the Group has generated a negative impact of €0.5 million on the Group's shareholders' equity as at 30 June 2005. This is associated with the discounting of financial assets and liabilities (-€0.4 million) and the valuation of interest rate swaps (-€0.1 million).

➢ Trend in consolidated revenues

The consolidated revenues of the TOUAX Group amounted to €102 million in the first half of 2005, compared to €86.8 million in the first half of the previous year, representing a rise of 18% on the period. On a like-for-like basis and at constant currencies, revenues rose by 22%. The Group's revenues are made up as follows:

Analysis by business segment

Operating revenues by business segment			Difference		Full-year
(€ thousands)	30-juin-05	30-juin-04	30/06/2005 30/06/2004		2004
SHIPPING CONTAINERS	**63,943**	**53,021**	**10,922**	**21%**	**104,011**
Leasing revenues	25,927	22,085	3,842	17%	46,372
Sales of equipment	37,991	30,909	7,082	23%	57,587
Sundry items	25	27	(2)	-7%	52
MODULAR BUILDINGS	**20,285**	**17,794**	**2,491**	**14%**	**37,114**
Leasing revenues	16,188	14,466	1,722	12%	31,161
Sales of equipment	4,097	3,328	769	23%	5,953
RIVER BARGES	**13,197**	**14,180**	**(983)**	**-7%**	**29,119**
Leasing and transport revenues	13,197	14,180	(983)	-7%	29,119
RAILCARS	**5,202**	**2,321**	**2,881**	**124%**	**11,379**
Leasing revenues	2,851	2,014	837	42%	4,655
Sales of equipment	2,337	294	2,043	695%	6,687
Sundry items	14	13	1	8%	37
Others (sundry items and eliminations)	**(572)**	**(509)**	**(63)**	**12%**	**(1,040)**
TOTAL	**102,055**	**86,807**	**15,248**	**18%**	**180,583**

Analysis by geographic region

Operating revenues by geographic region			Difference		Full-year
(€ thousands)	30-juin-05	30-juin-04	June 2005 /	June 2004	2004
International	62,629	52,079	10,550	20%	101,968
Europe	34,263	31,047	(4,240)	-14%	70,986
United States	5,163	3,681	619	17%	7,629
TOTAL	**102,055**	**86,807**	**15,248**	**18%**	**180,583**

In the modular buildings, river barges and freight railcars businesses, the places where the services are performed, the location of the markets and the location of the customers are identical.

In the shipping containers business, the location of the markets differs from that of the customers and the places where the services are performed. Shipping containers are regularly transported from one country to another in line with international commercial flows across hundreds of commercial routes. The TOUAX Group neither knows nor controls the movements or location of leased containers. On the basis of the container lease contracts in existence as at 30 June 2005, containers may arrive at ports in over 100 countries throughout the world. It is therefore impossible to separate the revenues or assets of the shipping containers business by geographic region within the meaning of IAS 14. The shipping containers business is classified in the international region.

The growth in revenues (+€15.2 million; +18%) was made up as follows:

Shipping containers business:

The shipping containers business advanced 21% in a buoyant market. The increase of 17% in leasing revenues reflects the expansion of the container fleet under management. The 23% rise in sales corresponds to the conclusion of new management programs. The container fleet under management as at 30 June 2005 is assessed at 279,966 TEU, a rise of 19% compared to 30 June 2004 (235,118 TEU).

Modular buildings business:

The modular buildings business grew by €2.5 million (14%). Leasing revenues increased 12% as a result of increases in the fleet under management, utilization rates and leasing rates. Sales increased by 23%. The total fleet in operation amounted to 20,681 units as at 30 June 2005, an increase of 6.5% compared to 30 June 2004 (19,425 units).

River barges business:

The river barges business declined by 7%, mainly due to the discontinuation of loss-making chartering activities. Leasing, transport and storage activity declined 12%. Business has been buoyant in Eastern Europe (Danube) and in the United States, but has declined in Western Europe (Rhine). The Group operates 190 barges or self-propelled vessels and 9 pushboats as at 30 June 2005.

Railcars business:

The railcars business increased by 124%. Leasing revenues grew 42% in line with the increase in the leasing fleet. Sales of equipment grew seven-fold thanks to the conclusion of new management programs. The railcar fleet totaled 2,578 units as at 30 June 2005, compared to 1,714 units as at 30 June 2004.

➢ Trend in the Group's results and significant events

There were no changes in the scope of consolidation in the first half of 2005.

Consolidated operating income before distribution to investors amounted to €26.2 million as at 30 June 2005, compared to €20.7 million as at 30 June 2004, a rise of €5.5 million.

The distribution to investors corresponds to the net income from equipment managed on behalf of third parties and paid to investors.

The gross operating margin (EBITDA) rose €5.2 million to €29.4 million, compared to €24.2 million as at 30 June 2004. The gross operating margin (EBITDA) comprises the difference between:

- Revenues, and
- The consumption of goods and services supplied by third parties, personnel costs, taxes and duties (except corporation tax) and the change in the amortization of operating provisions (such as amounts written off in respect of doubtful debts).

The income statement by business can be analyzed as follows:

Results (€ thousands)	30-juin-05	30-juin-04	Difference June 05 / June 04	Full-year 2004
SHIPPING CONTAINERS				
Gross operating margin of the business (EBITDA)	21,710	17,634	4,076	36,072
Segment result before distribution to investors	21,192	17,093	4,099	35,781
Leasing revenues due to investors	(18,207)	(13,976)	(4,231)	(31,314)
Segment result after distribution to investors	2,985	3,117	(132)	4,467
MODULAR BUILDINGS				
Gross operating margin of the business (EBITDA)	5,438	5,126	312	7,944
Segment result before distribution to investors	3,757	3,109	648	4,237
Leasing revenues due to investors	(2,582)	(1,818)	(764)	(4,027)
Segment result after distribution to investors	1,175	1,291	(116)	210
RIVER BARGES				
Gross operating margin of the business (EBITDA)	2,233	1,825	408	3,748
Segment result before distribution to investors	1,429	981	448	2,218
Leasing revenues due to investors	(314)	(371)	57	(746)
Segment result after distribution to investors	1,115	610	505	1,472
RAILCARS				
Gross operating margin of the business (EBITDA)	1,327	1,181	146	3,952
Segment result before distribution to investors	1,234	1,130	104	3,794
Leasing revenues due to investors	(577)	(347)	(230)	(775)
Segment result after distribution to investors	657	783	(126)	3,019
Group total				
Gross operating margin of the business (EBITDA)	30,708	25,766	4,942	51,716
Segment result before distribution to investors	27,612	22,313	5,299	46,030
Leasing revenues due to investors	(21,680)	(16,512)	(5,168)	(36,862)
Segment result after distribution to investors	5,932	5,801	131	9,168
Others (sundry items, overheads & eliminations)	(1,370)	(1,638)	268	(2,323)
Operating income after distributions to investors	**4,562**	**4,163**	**399**	**6,845**
Financial result	(1,093)	(2,340)	1,247	(3,717)
Current income before tax	**3,469**	**1,823**	**1,646**	**3,128**
Tax	(1,322)	(546)	(776)	(337)
Consolidated net income	**2,147**	**1,277**	**870**	**2,791**
Minority interests	51	215	(164)	386
Net attributable income	**2,198**	**1,492**	**706**	**3,177**

Shipping containers business

As at 30 June 2005, the shipping containers business showed an increase in its gross operating margin (EBITDA) and its segment income, before net distributions to investors, of €4.1 million. The segment income after net distributions to investors remained stable. The growth in the shipping containers business is due to the expansion of the fleet managed on behalf of third parties.

Modular buildings business

The gross operating margin of the modular buildings business grew by €0.3 million in the first half of 2005. Segment income after net distributions to investors remained stable. The growth in the modular buildings business is due to the expansion of the fleet managed for investors.

River barges business

The river barges business improved its gross operating margin as at 30 June 2005 (+€0.4 million) and its segment income after distribution to investors (+€0.5 million) compared to 30 June 2004. This improvement confirms the previously reported recovery in the river barges business, except on the Rhine.

Railcars business

The gross operating margin and the operating income of the railcars business are stabilizing.

Leasing revenues due to investors

Leasing revenues due to investors increased by €5.2 million between 30 June 2005 (€21.7 million) and 30 June 2004 (€16.5 million). This increase is due to the completion of new management programs.

Results

The net financial expense as at 30 June 2005 decreased to €1.1 million, compared to €2.3 million as at 30 June 2004.

Following a tax charge of €1.3 million, net attributable income amounted to €2.2 million as at 30 June 2005, a rise of 47% compared to 30 June 2004.

➢ Consolidated balance sheet

The consolidated balance sheet total as at 30 June 2005 amounted to €188 million, compared to €180 million as at 31 December 2004. It is made up as follows:

Total non-current assets:	€93 million compared to €92 million as at 31 December 2004;

Total current assets:	€94 million compared to €87 million as at 31 December 2004;
Total shareholders' equity:	€36 million compared to €34 million as at 31 December 2004
Total non-current liabilities:	€45 million compared to €51 million as at 31 December 2004;
Total current liabilities:	€107 million compared to €94 million as at 31 December 2004.

The non-current assets remained stable, with sales of assets to investors being offset by new investments.

The change in shareholders' equity is due to the application of the standards IAS 32 and IAS 39 (-€0.5 million), the income for the first half of 2005 (+€2.2 million), the dividend distributed (-€1.7 million) and the change in the translation difference (+€1.9 million).

➢ Outlook for the Group in the second half of the year

The TOUAX Group's business activity takes place in leasing and management on behalf of third parties.

Leasing is a recurrent and stable activity. Management on behalf of third parties is also a recurrent activity. However, the conclusion of new management programs and hence equipment sales or asset disposals may fluctuate widely from one quarter to the next or from one year to the next. The revenues from equipment sales in the first quarter of 2005 amounted to €18 million, a rise of 142% compared to the first quarter of 2004 (€7.4 million). This example reflects the wide fluctuation in equipment sales.

The uncertainty relating to the conclusion of management programs makes it impossible to draw up forecasts resulting from a structured process.

The indications which the Group has given to the market, namely a rise of +5% in revenues and income and investments of €100 million are minimum targets set by the management for the business teams and directors.

Since the conclusion of new management programs between now and the end of the year is uncertain, the Group is no longer confirming these targets and is giving no forecast for the current year and subsequent years.

➢ Information relating to the parent company (company accounts)

The revenues of TOUAX SCA as at 30 June 2005 amounted to €13.9 million, compared to €12.3 million as at 30 June 2004. The operating result was positive, amounting to €1.4 million, compared to a loss of €1.4 million as at 30 June 2004. The increase in revenues and operating income is explained by the conclusion of new management programs.

The balance sheet total of TOUAX SCA amounted to €89 million as at 30 June 2005, compared to €86 million as at 31 December 2004.

➢ Selected key financial figures

Key figures of the income statement

IFRS

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Leasing revenues	57,591	52,236	110,267
Sales of equipment	44,425	34,531	70,227
Revenues	102,055	86,807	180,583
Operating income before distribution to investors	26,242	20,675	43,707
Operating income after distribution to investors	4,562	4,163	6,845
Consolidated net attributable income	2,198	1,492	3,177
Earnings per share (in euros)	0.77	0.53	1.12

Key figures of the balance sheet

IFRS

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Total assets	187,867	168,587	179,606
Total non-current assets	93,369	101,975	92,233
Shareholders' equity of the Group	35,770	34,696	33,868
Minority interests	93	471	146
Net dividend per share (in euros)	Not applicable	Not applicable	0.6

No significant change has arisen in the Group's financial or commercial position since the end of the first half of 2005.

The commentary on recent events on page 11 of part I of the reference document filed under the number D.05-820 is supplemented by the paragraph entitled "Developments in the strategy" and by the following press releases:

Press release of 15 August 2005:

Consolidated revenues in the first half of 2005: €102 million (+18%)

Consolidated revenues *(€ thousands)*	30 June 2005	30 June 2004	Difference
Leasing revenues	57 545	52 236	10%
Sales of equipment and sundry items	44 464	34 571	29%
Consolidated revenues in 1st half of 2005	**102 009**	**86 807**	**18%**

Consolidated revenues by business segment *(€ thousands)*	30 June 2005	30 June 2004	Difference
Shipping containers	63 335	52 459	21%
Modular buildings	20 275	17 790	14%
River barges	13 138	14 179	-7%
Railcars and other activities	5 261	2 379	121%
Consolidated revenues in 1st half of 2005	**102 009**	**86 807**	**18%**

At €102 million, the consolidated revenues in the first half of 2005 represent an increase of 18% against end of June 2004. On a comparable scope of consolidation and a stable dollar basis, revenues rose 21%.

Shipping container leasing to major world shipowners continued to expand during the first half of 2005. Profitability on equipment has ensured the completion of new management programs resulting in the rise of the managed fleet and a 23% increase in sales of containers to investors. Despite the fact that since April 2005 there has been less demand for new containers from China, the utilization rate has been maintained at 95%, with the result that the turnover derived from leasing activities has risen (+18%). In total the turnover derived from this business sector has increased by 21% up to 30 June 2005.

In the first half of 2005 the modular buildings business increased by 14% following two consecutive years of negative growth. Modular building leasing increased by 12%, thanks to a growth in long term contracts with local authorities and industries. Sales of modular buildings have increased by 23%.

The decline in the river barges business is explained by the fact that the loss-making chartering business has ceased. The river barges business is buoyant in the United States (Mississippi) and in Eastern Europe (Danube). It remains average in Western Europe (Rhine). The leasing of river barges continues to benefit from economic and ecological interest in an environment where long-term development has become a major challenge for industries.

The railcars business is benefiting from the deregulation of European rail transportation. The new investments are now bearing fruit with the result that the leasing turnover has increased by 42%. Railcar sales have multiplied seven-fold as a result of the finalizing of new management programs. The completion of new management programs, and thus of equipment sales or asset transfers can be subject to major variations from one quarter to another, or from one year to another. Bearing in mind the cyclical nature of sales, the Group confirms its forecast that turnover will increase by 5% in 2005 subject to fluctuations of the dollar and on a comparable scope of consolidation.

Managing an operational leasing business in four different sectors has enabled the Group to once again maintain regular organic growth over the first half 2005, which was sustained by client trends to outsourcing and sub-contracting. To finance its growth, the Group has developed management programs for investors. At an uncertain and volatile time, these management programs provide attractive returns due to the intrinsic qualities of the investments which Touax offers: long-term contracts, recurrent profitability, mobile and standardized equipment with low obsolescence and good value retention.

The Board Meeting held on 28 July 2005 confirmed the change of the legal form of TOUAX into a partnership by shares. This change in the legal form of the Company is part of the development plan for the Company's activity. The objectives are in particular:

- for the major shareholder, to maintain long-term management within the family, through two simplified joint-stock companies acting in the capacity of general partners and represented by Messrs Fabrice and Raphaël Colonna Walewski;
- for Touax, to carry out capital increases by means of public calls for capital to increase the Group's development capacity;
- and to make investments itself, keeping 25% of the managed equipment, with the other 75% being financed by third-party investors.

The implementation of this new development policy is intended to enable the Group to continue and accelerate its growth over the four operational leasing business sectors and to provide added growth potential for its shareholders.

The turnover growth rate for the first half of 2005 substantiates the TOUAX development policy.

Press release of 28 September 2005:

Net attributable income for first half of 2005 advances 47% to €2.2 million.

The TOUAX Group is continuing its global development in the operational leasing of shipping containers, modular buildings, river barges and freight railcars, both for its own account and on behalf of investors.

IFRS consolidated figures (€ millions)	30 juin 2005	30 juin 2004	31 décembre 2004
Operating revenues	102.1	86.8	180.6
Shipping containers	63.9	53.0	104.0
Modular buildings	20.3	17.8	37.1
River barges	13.2	14.2	29.1
Railcars	5.2	2.3	11.4
Intersegment and miscellaneous	-0.6	-0.5	-1.0
Gross operating margin - EBITDA (1)	29.4	24.2	49.5
Operating income before distribution to investors	26.2	20.7	43.7
EBITDA après distribution aux investisseurs	12.2		12.2
Operating income after distribution to investors	4.6	4.2	6.8
Current income before tax	3.5	1.8	3.1
Net attributable income	2.2	1.5	3.2
Net earnings per share in euros	0.77	0.53	1.12
Total non-current assets	93.4	102.0	92.2
Total assets	187.9	168.6	179.6
Total shareholders' equity	35.9	35.2	34.0
Net bank borrowing	38.1	48.8	40.5

(1) The gross operating margin (EBITDA - earnings before interest, taxes, depreciation and amortization) calculated by the Group corresponds to operating income before net distributions to investors less amortization and depreciation charges and transfers to provisions in respect of non-current assets.

In spite of the rise in oil prices, the global economy is expected to continue to grow by 4% in 2005 according to the Managing Director of the International Monetary Fund. The Group, which is firmly focused on international operations (almost 90% of its revenues are generated outside France), is benefiting from this growth.

The shipping containers business is benefiting from the increase in global trade, which the World Bank estimates at 6.5% in 2005 (8.5% in 2004). In the first half of 2005, new lease contracts were concluded, allowing an increase of almost 10% in the size of the shipping container fleet, taking the total under management to 280,000 TEU (twenty-foot equivalent container units). A temporary decrease in demand and rates of investment in new containers has been observed since the beginning of the second half of 2005, but the utilization rates of the existing fleet remain high at over 95%.

The modular buildings business has significantly increased its investments to meet growing demand in the United States and Europe (Poland, Spain, Germany and France). Only the Benelux countries remain weak. The average utilization rate has again increased, to 79% in the first half of 2005 compared to 74% in 2004, with a leasing fleet of 20,500 units. TOUAX continues to position itself successfully in long-term contracts with industrial companies and local authorities.

The river barges business has confirmed its improvement thanks to its repositioning in leasing, long-term contracts and the rise in commodities trade. Activity has increased in Eastern Europe (Danube) and the United States. Hurricane Katrina in September disrupted shipping on the Mississippi for several weeks, but the impact is not expected to be significant for the Group and activity is expected to remain buoyant due to price rises.

The railcars business is benefiting from the liberalization of rail transport in Europe and growing demand in the United States. The Group had 2,600 railcars under management as at 30 June 2005, a rise of 5% compared to December 2004. Touax expects its fleet under management to grow by over 30% in 2005.

The Touax Group is budgeting for over €100 million of investments in 2005 across its four businesses, an increase compared to 2004.

To cope with the sustained growth in its business, TOUAX is continuing to attract the resources necessary for its development from investors. This model enables the Group to achieve growth while limiting its borrowings. In addition to its €123 million of assets, TOUAX manages equipment worth €487 million on behalf of third parties under management programs. These programs offer investors attractive returns due to the intrinsic qualities of the investments: mobile and standardized equipment with low obsolescence and good value retention, long-term contracts and recurrent profitability.

In July 2005, TOUAX was successfully converted into a partnership limited by shares. The group is now working on a capital increase of €25 million scheduled for October 2005 to finance growth, as previously announced.

The outlook for full-year 2005 remains positive. The Group remains confident in the robustness of its long-term growth model, underpinned by the know-how of its workforce, its diversification, its ability to generate new lease contracts and its capacity to attract investors. TOUAX confirms its targets, with a 5% rise in revenues and net income on a like-for-like basis compared to 2004, subject to the economic situation and the value of the US dollar.

Cf. page 9 - Outlook.

The following memorandum on the interim financial statements as at 30 June 2005 is added to part I of the reference document filed under the number D.05-820:

Half-year financial statements as at 30 June 2005

CONSOLIDATED INCOME STATEMENT by function as at 30 June 2005

Note no.	(€ thousands)	30 June 2005	30 June 2004 (2) (3)	2004 (1) (2)
	Leasing revenues	57,591	52,236	110,267
	Sales of equipment	44,425	34,531	70,227
	Commissions	39	40	89
5	**TOTAL REVENUES**	**102,055**	**86,807**	**180,583**
6	Capital gains on disposals	2,235	1,999	4,547
	Revenue from activities	**104,290**	**88,806**	**185,130**
	Cost of sales	(41,122)	(31,779)	(65,135)
	Operating expenses of activities	(26,657)	(26,752)	(57,118)
	Selling, general and administrative expenses	(5,266)	(4,061)	(10,314)
	Overheads	(1,832)	(2,032)	(3,061)
	GROSS OPERATING MARGIN (EBITDA)	**29,413**	**24,182**	**49,502**
9	Depreciation & amortization and provisions	(3,171)	(3,507)	(5,795)
	OPERATING INCOME before distribution to investors	**26,242**	**20,675**	**43,707**
10	Net distribution to investors	(21,680)	(16,512)	(36,862)
	OPERATING INCOME after distribution to investors	**4,562**	**4,163**	**6,845**
	Financial income	821	727	1,228
	Financial expense	(1,914)	(3,067)	(4,945)
12	**FINANCIAL RESULT**	**(1,093)**	**(2,340)**	**(3,717)**
	CURRENT INCOME BEFORE TAX	**3,469**	**1,823**	**3,128**
	Corporation tax	(1,322)	(546)	(337)
	NET INCOME OF CONSOLIDATED COMPANIES	**2,147**	**1,277**	**2,791**
	Result of discontinued activities	0	0	0
	TOTAL CONSOLIDATED NET INCOME	**2,147**	**1,277**	**2,791**
	Minority interests	51	215	386
	CONSOLIDATED NET ATTRIBUTABLE INCOME	**2,198**	**1,492**	**3,177**
	Net earnings per share	**0.77**	**0.53**	**1.12**
	Diluted net earnings per share	**0.75**	**0.50**	**1.09**

(1) The IFRS income statement for full-year 2004 is extracted from the memorandum entitled "Impact of International Accounting Standards (IFRS)", which forms an integral part of the Group's reference document in respect of 2004. The assumptions and principles applied in the preparation of the 2004 IFRS income statement were described in that memorandum. A reconciliation table and comments were provided in order to explain the impacts of the transition to IFRS on the income statement as at 31 December 2004.

(2) In accordance with the transitional provisions specifically provided for in standards IAS 32 "Financial instruments: disclosure and presentation", IAS 39 "Financial instruments: recognition and measurement" and IFRS 1 "First-time adoption of IFRS", the TOUAX Group has decided not to apply the IFRS standards to financial instruments in the preparation of the 2004 income statement, but to continue to account for them under French GAAP. The IFRS standards concerning financial instruments have only been applied with effect from 1 January 2005: the differences between the IFRS and French GAAP are described in the accounting principles in section § 2.17.1 and the corresponding figures are set out in the table of changes in shareholders' equity from 31 December 2004 to 30 June 2005.

(3) The reclassifications and adjustments made for the transition from the half-year consolidated income statement as at 30 June 2004 published under French GAAP to the income statement as at 30 June 2004 under IFRS (above) are described in a specific appendix (§ 28) attached to the present half-year financial statements.

The operating income after distribution to investors corresponds to the operating income as defined by the CNC. The financial result is detailed in note 11, which states the amount of financial income, being income from cash and cash equivalents, the amount of financial expenses, being the cost of gross financial debt, and the total net financial expenses corresponding to the cost of net financial debt. The other operating income and expenses correspond to items which are "very limited in number, unusual, abnormal and infrequent" (cf. § 5.5.5 CNC 2004-R02). No such items existed within the TOUAX company as at 30 June 2005.

CONSOLIDATED INCOME STATEMENT by type as at 30 June 2005

Note n°	(€ thousands)	30 juin 2005	30 juin 2004 (2) (3)	2004 (1) (2)
5	**REVENUES**	**102,055**	**86,807**	**180,583**
6	Capital gains on disposals	2,235	1,999	4,547
	Revenues from activities	**104,290**	**88,806**	**185,130**
7	Purchases and other external charges	(67,703)	(58,898)	(124,372)
8	Personnel costs	(7,232)	(5,445)	(11,550)
	Other operating expenses and income	167	407	(681)
	GROSS OPERATING PROFIT	**29,522**	**24,870**	**48,527**
9	Net operating provisions	(109)	(688)	975
	GROSS OPERATING MARGIN (EBITDA)	**29,413**	**24,182**	**49,502**
	Depreciation, amortization and provisions	(3,171)	(3,507)	(5,795)
	OPERATING INCOME before distribution to investors	**26,242**	**20,675**	**43,707**
10	Net distributions to investors	(21,680)	(16,512)	(36,862)
	OPERATING INCOME after distribution to investors	**4,562**	**4,163**	**6,845**
	Financial income	821	727	1,228
	Financial expenses	(1,914)	(3,067)	(4,945)
11	**FINANCIAL RESULT**	**(1,093)**	**(2,340)**	**(3,717)**
	CURRENT RESULT BEFORE TAX	**3,469**	**1,823**	**3,128**
12	Corporation tax	(1,322)	(546)	(337)
	NET INCOME OF CONSOLIDATED COMPANIES	**2,147**	**1,277**	**2,791**
	Results of discontinued activities	0	0	0
	TOTAL CONSOLIDATED NET INCOME	**2,147**	**1,277**	**2,791**
	Minority interests	51	215	386
	CONSOLIDATED NET ATTRIBUTABLE INCOME	**2,198**	**1,492**	**3,177**
	Net earnings per share	**0.77**	**0.53**	**1.12**
	Diluted net earnings per share	**0.75**	**0.50**	**1.09**

(1) The IFRS income statement for full-year 2004 is extracted from the memorandum entitled "Impact of International Accounting Standards (IFRS)", which forms an integral part of the Group's reference document in respect of 2004. The assumptions and principles applied in the preparation of the 2004 IFRS income statement were described in that memorandum. A reconciliation table and comments were provided in order to explain the impacts of the transition to IFRS on the income statement as at 31 December 2004.

(2) In accordance with the transitional provisions specifically provided for in standards IAS 32 "Financial instruments: disclosure and presentation", IAS 39 "Financial instruments: recognition and measurement" and IFRS 1 "First-time adoption of IFRS", the TOUAX Group has decided not to apply the IFRS standards to financial instruments in the preparation of the 2004 income statement, but to continue to account for them under French GAAP. The IFRS standards concerning financial instruments have only been applied with effect from 1 January 2005: the differences between the IFRS and French GAAP are described in the accounting principles in section § 2.17.1 and the corresponding figures are set out in the table of changes in shareholders' equity from 31 December 2004 to 30 June 2005.

(3) The reclassifications and adjustments made for the transition from the half-year consolidated income statement as at 30 June 2004 under French GAAP to the income statement as at 30 June 2004 under IFRS (above) are described in a specific appendix (§ 28) attached to the present half-year financial statements.

The operating income after distribution to investors corresponds to the operating income as defined by the CNC. The financial result is detailed in note 11, which states the amount of financial income, being income from cash and cash equivalents, the amount of financial expenses, being the cost of gross financial debt, and the total net financial expenses corresponding to the cost of net financial debt. The other operating income and expenses correspond to items which are "very limited in number, unusual, abnormal and infrequent" (cf. § 5.5.5 CNC 2004-R02). No such items existed within the TOUAX company as at 30 June 2005.

CONSOLIDATED BALANCE SHEET as at 30 June 2005

Note n°	(€ thousands)	30 juin 2005	30 juin 2004 (1)	2004
	ASSETS			
13	Goodwill	2,587	2,652	2,644
	Other net intangible fixed assets	77	71	51
14	Net tangible fixed assets	76,252	82,271	74,046
15	Long-term financial assets	10,706	12,721	11,128
16	Other non-current assets	1,105	1,013	1,116
26	Deferred tax assets	2,642	3,247	3,248
	Total non-current assets	**93,369**	**101,975**	**92,233**
17	Stocks and work in progress	24,550	2,571	13,033
18	Trade debtors	26,053	28,823	28,094
19	Other current assets	13,439	9,452	14,092
20	Cash and cash equivalents	30,456	25,766	32,154
	Total current assets	**94,498**	**66,612**	**87,373**
	TOTAL ASSETS	**187,867**	**168,587**	**179,606**
	LIABILITIES			
	Share capital	22,705	22,705	22,705
	Reserves	10,867	10,499	7,986
	Attributable income for the period	2,198	1,492	3,177
	Shareholders' equity of the Group	**35,770**	**34,696**	**33,868**
	Minority interests	93	471	146
21	**Total shareholders' equity**	**35,863**	**35,167**	**34,014**
22	Borrowings and financial debts	36,608	45,943	42,391
26	Deferred tax liabilities	857	589	729
	Retirement and similar benefits	193	139	153
23	Other long-term liabilities	7,814	8,745	8,155
	Total non-current liabilities	**45,472**	**55,416**	**51,428**
	Provisions for liabilities and charges	350	298	267
22	Borrowings and current bank facilities	31,971	28,633	30,271
24	Trade creditors	43,000	28,422	35,776
25	Other liabilities	31,211	20,651	27,850
	Total current liabilities	**106,532**	**78,004**	**94,164**
	Liabilities intended for sale	0	0	0
	TOTAL LIABILITIES	**187,867**	**168,587**	**179,606**

(1) The consolidated balance sheet as at 31 December 2004 under IFRS is extracted from the memorandum entitled "Impact of International Accounting Standards (IFRS)", which forms an integral part of the Group's reference document in respect of 2004. The assumptions and principles applied in the preparation of the 2004 IFRS balance sheet as at 31 December 2004 were described in that memorandum, within the necessary explanations being given in order to understand the differences as compared to the Consolidated balance sheet as at 31 December 2004 published under French GAAP. In accordance with the transitional provisions specifically provided for in standards IAS 32 "Financial instruments: disclosure and presentation", IAS

39 “Financial instruments: recognition and measurement” and IFRS 1 “First-time adoption of IFRS”, the TOUAX Group has decided not to apply the IFRS standards to financial instruments in the preparation of the 2004 income statement, but to continue to account for them under French GAAP. The IFRS standards concerning financial instruments have only been applied with effect from 1 January 2005: the differences between the IFRS and French GAAP are described in the accounting principles in section § 2.17.1 and the corresponding figures are set out in the table of changes in shareholders’ equity as at 31 December 2004 and 30 June 2005.

Table of changes in consolidated shareholders' equity

30 June 2005 *(€ thousands)*	Number of shares	Share capital	Premiums	Conslidated reserves	Reserves for changes in fair value of financial hedging instruments (SWAPS)	Net income for the period	Total shareholders' equity of the Group	Minority interests	Total shareholders' equity
Situation on 1 January 2004	**2,838,127**	**22,705**	**3,144**	**7,364**			**33,213**	**684**	**33,897**
Income from 1 January to 30 June 2004						1,492			
Dividends paid				(717)					
Translation difference				865					
Change in scope of consolidation & sundry items				(132)					
Treasury shares				(25)					
Situation on 30 June 2004	**2,838,127**	**22,705**	**3,144**	**7,355**		**1,492**	**34,696**	**471**	**35,167**
Result from 1 July to 31 December 2004						1,684			
Exceptional dividends paid				(993)					
Translation difference				(1,348)					
Change in scope of consolidation & sundry items				(165)					
Treasury shares				(6)					
Situation on 31 December 2004	**2,838,127**	**22,705**	**3,144**	**4,843**		**3,176**	**33,868**	**146**	**34,014**
Impact of first-time application of IAS 32/39, net of deferred taxes				**(348)** (*)	**(97)**		**(445)**		
Situation on 1 January 2005	**2,838,127**	**22,705**	**3,144**	**4,495**	**(97)**	**3,176**	**33,423**	**146**	**33,569**
Change in fair value of derivative fin. instriments					(25)				
Net income for the period				**3,176**		**(3,176)**			
Dividends paid				(1,703)					
Income from 1 January to 30 June 2005						2,198			
Translation difference				1,888					
Change in scope of consolidation & sundry items				17					
Treasury shares				(28)					
Situation on 30 June 2005	**2,838,127**	**22,705**	**3,144**	**7,845**	**(122)**	**2,198**	**35,770**	**93**	**35,863**

(*) This impact concerns the discounting of certain long-term financial assets and long-term liabilities (deferred commissions of Trusts and GIE MODUL FINANCE I) - cf § 2.17.1 of the Accounting Principles

CONSOLIDATED CASH FLOW STATEMENT as at 30 June 2005

	(in € thousands)	30 juin 2005	30 juin 2004	2004
	Consolidated net income (including minority interests)	2,147	1,277	2,791
	Depreciation and amortization	3,046	3,364	5,670
	Net transfers to provisions (excluding those associated with current assets)	1,330	927	713
	Capital gains and losses on disposals	(2,235)	(1,999)	(4,547)
	Cash flow after cost of net financial debt and tax	**4,288**	**3,569**	**4,627**
	Cost of net financial debt	1,418	2,251	3,297
	Current tax charge	26	253	294
	Cash flow before cost of net financial debt and tax	**5,732**	**6,073**	**8,218**
	Taxes paid	(26)	(253)	(294)
A	Change in cash flow requirement associated with the activity	(2,938)	(737)	(661)
	I - CASH FLOW GENERATED BY OPERATING ACTIVITIES	**2,768**	**5,083**	**7,263**
	Investment operations			
	Acquisition of fixed assets	(12,386)	(9,441)	(19,159)
	Net change in financial fixed assets	(293)	(108)	569
	Income from asset disposals	9,101	12,129	28,014
B	Change in investment working capital requirement	2,708	(1,374)	976
	Cash position at close of subsidiaries entering or leaving scope of consolidatio	0	6	6
	II - CASH FLOW ASSOCIATED WITH INVESTMENT OPERATIONS	**(870)**	**1,212**	**10,406**
	Financing operations			
	Net change in financial debts	(3,632)	(4,867)	(4,859)
	Net increase in shareholders' equity	0	0	0
	Cost of net financial debt	(1,417)	(2,251)	(3,298)
	Distribution of dividends	(1,703)	(717)	(1,710)
	III - CASH FLOW ASSOCIATED WITH FINANCING OPERATIONS	**(6,752)**	**(7,835)**	**(9,867)**
	Impact of changes in exchange rates	2,172	638	(1,361)
	IV - CASH FLOW ASSOCIATED WITH CHANGES IN EXCHANGE RATES	**2,172**	**638**	**(1,361)**
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	**(2,682)**	**(902)**	**6,441**
	Cash position at start of period	29,590	23,149	23,149
	CASH POSITION AND END OF PERIOD	**26,908**	**22,247**	**29,590**
	Change in net cash position	**(2,682)**	**(902)**	**6,441**

	(€ thousands)	30 juin 2005	30 juin 2004	2004
A	**Change in working capital requirement associated with the activity**			
	Stocks and work in progress	(9,883)	1,882	(9,455)
	Change in trade debtors	3,655	(7,126)	(7,981)
	Other current assets	279	716	(5,938)
	Trade creditors	4,022	470	10,237
	Other liabilities	(1,011)	3,321	12,476
	Change in operating cash flow requirement	**(2,938)**	**(737)**	**(661)**
B	**Change in investment working capital requirement**			
	Receivables / fixed assets and related accounts	490	(1,617)	497
	Liabilities / Fixed assets and related accounts	2,218	243	479
	Change in investment working capital requirement	**2,708**	**(1,374)**	**976**

As at 30 June 2005, the cash flows generated by activities amounted to €2.8 million, a decrease of €2.3 million compared to 30 June 2004. This decrease is mainly due to a larger change in the working capital requirement of €2.2 million as detailed in the above table.

The cash flows associated with investment operations amounted to -€0.9 million, a decrease of €2.1 million compared to 30 June 2004. This financing requirement is explained mainly by the fact that investments were €3 million higher in the first half of 2005 (€12.4 million) than in the first half of 2004 (€9.4 million) and by an increase in the proceeds of asset disposals of €1 million.

The cash flows associated with financing operations amounted to -€6.8 million, a rise of €1.1 million compared to the first half of 2004. This rise corresponds to a lower debt reduction of €1.2 million in 2005 and to a decrease in the cost of debt of €0.8 million, offset by an increase in dividends paid.

The cash flow associated with changes in exchange rates increased by €1.5 million in the first half of 2005 compared to the first half of 2004, mainly due to the rise in the value of the dollar.

The decrease in cash flows associated with activities of €2.3 million combined with the decrease in cash flows associated with investment activities of €2.1 million is financed by the increase in cash flows associated with financing operations of €1.1 million, the rise in cash flows associated with changes in exchange rates of €1.5 million and the decrease in cash of €1.8 million.

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Unless stated otherwise, all figures are rounded and in thousands of euros.

1. General information on the company

Following the decision taken at the combined general meeting of 30 June 2005, the meeting of the board of directors held on 28 July 2005 unanimously confirmed the conversion of the company TOUAX SA into a partnership limited by shares, without the creation of any new legal entity.

The name, purpose, registered office and share capital of the company remain unchanged.

Corporate name

TOUAX SCA

SGTR – CITE – CMTE – TAF – SLM - TOUAGE INVESTISSEMENT combined

Registered office and administrative head office

Tour Arago - 5, rue Bellini - 92806 Puteaux – La Défense cedex - FRANCE

Identification

Company and Commercial Register: Nanterre B 305 729 352

Siret number: 305 729 352 00099

APE: 741 J

Legal form of the company

Partnership limited by shares

Date of incorporation and duration

The company was incorporated in 1898 and will be wound up on 31 December 2104.

Financial year

TOUAX SCA's financial year begins on 1 January and ends on 31 December.

Share capital

The company's capital is composed of 2,838,127 shares of a par value of €8 as at 30 June 2005.

The capital is fully paid up.

Governing legislation

Partnership limited by shares governed by the Commercial Code, the decree of 23 March 1967 and subsequent legislation on commercial companies.

Places at which legal documents relating to the company may be consulted

Documents relating to TOUAX SCA may be consulted at the company's registered office.

2. Accounting principles and methods

2.1. Bases for the preparation and presentation of the half-year accounts as at 30 June 2005

Pursuant to Regulation 1606/2002 of the European Commission adopted on 19 July 2002 for all listed companies within the European Union, TOUAX SCA will publish its consolidated financial statements for the 2005 financial year in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB (International Accounting Standards Board) and applicable on 31 December 2005, as endorsed by the European Commission on the date of preparation of the financial statements.

For this reason, the half-year consolidated financial statements of the TOUAX Group for the period from 1 January to 30 June 2005 have been prepared in accordance with the rules on transaction recognition and valuation under IFRS, on the basis of the standards and interpretations applicable as at 31 December 2005, as approved by the European Regulations of the European Commission on 30 June 2005. The half-year financial statements have been prepared in accordance with the standard IAS 34 (Interim Financial Reporting), except for certain notes which will be more detailed in the financial statements as at 31 December 2005.

In the event that certain amendments, new interpretations or standards come into force in the period up to 31 December 2005 and are applicable retrospectively, the comparative information and the information for the first half of 2005 will be modified, as required by the IFRS standards.

The principles applied for the production of the IFRS opening balance sheet as at 1 January 2004, the differences as compared to the French accounting standards previously applied and their impacts in terms of figures on the opening balance sheet, the closing balance sheet and the results for the 2004 financial year are detailed in the memorandum entitled "Impact of International Accounting Standards (IFRS)" included in the reference document of the TOUAX Group filed on 3 June 2005 under the number D 05-820. Hitherto, no significant modification is required to the data published therein. These data are reproduced for comparison purposes in the present interim financial report. However, it should be recalled that in accordance with the transitional provisions provided for by IFRS 1 "First-time adoption of IFRS" and by the standards IAS 32 and 39 relating to the presentation, recognition and measurement of financial instruments, the

TOUAX Group has chosen only to apply the standards IAS 32 and 39 with effect from 1 January 2005. The comparative information for 2004 therefore excludes the impact of these standards, the main consequences of which are described in § 2.17.1 of the accounting principles.

The differences as compared to the French accounting principles previously applied and their impacts in terms of figures on the balance sheet as at 30 June 2004, the income statement for the first half of 2004 and on the cash flow statements as at 30 June 2004 and 31 December 2004 are detailed in § 28 "Impact of international standards" in the present half-year financial statements.

The half-year financial statements as at 30 June 2005 and the accompanying notes have been drawn up by the Management Board of TOUAX SCA and were presented to the Supervisory Board on 28 September 2005.

2.2. General valuation principles

The consolidated financial statements of the Group have been prepared on a historical cost basis, with the exception of derivative financial instruments and certain financial assets, which have been valued at fair value (cf. § 2.17.2).

2.3. Use of estimates

In order to prepare financial statements under IFRS, the Management draws up estimates and assumptions which affect the book value of certain assets and liabilities, income and expenses and information given in certain notes to the financial statements.

Since these assumptions are by nature uncertain, the actual figures may differ from these estimates. The Group regularly reviews its estimates and assessments in order to take into account past experience and factors deemed relevant in the light of economic conditions.

The financial statements and information involving significant estimates relate in particular to tangible fixed assets, goodwill, financial assets, derivative financial instruments, stocks and work in progress, provisions for liabilities and charges and deferred taxes.

2.4. Consolidation methods

The half-year financial statements of the Group include the financial statements of TOUAX SCA and its subsidiaries covering the period from 1 January to 30 June 2005.

Companies which are majority controlled by TOUAX SCA are fully consolidated, with the rights of minority shareholders being recorded.

Companies which are jointly controlled by TOUAX SCA and another associated partner are proportionally consolidated.

Entities created for asset securitization are not included in the scope of consolidation, as they do not constitute controlled special purpose entities within the meaning of SIC 12 "Consolidation – Special Purpose Entities" (cf. § 2.6).

The list of companies included in the scope of consolidation appears below in chapter 3.

Commercial and financial transactions between consolidated companies are eliminated, as are unrealized internal profits.

The companies belonging to the TOUAX RAIL Ltd group (Touax Rail Ltd, Touax Rail Finance Ltd, Touax Rail Romania SA and CFCL Touax Llp) and Almafin Rail Investment Ltd are jointly controlled and are therefore proportionally consolidated, even though the percentage of control of these companies is 51% and 49% respectively. These companies are the subject of a contract (shareholders' agreement) between the two shareholders TOUAX and Almafin, which strictly governs the operation of the companies. The board of directors comprises a director from the TOUAX Group, a director from the Almafin Group and an independent Irish director. The contract provides for example that the articles of association, registered office, auditors, capital, activity, name, location in Ireland, borrowings, assets or revenues and investments may only be decided on or modified with the agreement of the two shareholders.

2.5. Translation of foreign currencies

2.5.1. Translation of financial statements in currencies of foreign subsidiaries

The Group's operating and presentation currency is the euro.

The operating currency of foreign companies is generally the local currency. Where the majority of transactions are effected in a third currency, the operating currency is this third currency.

The financial statements of the Group's foreign companies are prepared in their operating currency. The financial statements of foreign companies are translated into the Group's presentation currency (euro) as follows:

- the assets and liabilities of foreign subsidiaries are translated into euros at the closing exchange rate;
- shareholders' equity, maintained at the historic rate, is translated at the closing rate;
- the income statements and cash flows are translated at the average exchange rate for the period;
- losses or gains resulting from the translation of the financial statements of foreign companies are carried in a translation reserve included in consolidated shareholders' equity.

Goodwill generated when a foreign company is acquired is entered in the operating currency of the acquired company. It is then translated, at the closing rate, into the Group's presentation currency. The differences resulting from this translation are carried in consolidated shareholders' equity.

In accordance with the option authorized by IFRS 1 "First-time adoption of IFRS", the Group has chosen to reclassify under "Consolidation reserves" the "Translation reserves" accumulated as at 1 January 2004 resulting from the translation of the financial statements of foreign subsidiaries.

When a foreign subsidiary is sold, the currency translation differences accumulated in the "Translation reserves" account since 1 January 2004 are taken to the income statement as a component of the profit or loss on the disposal.

2.5.2. Translation of transactions in foreign currencies

Transactions in foreign currencies carried out by consolidated companies are converted into their operating currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated at the exchange rate on the closing date. Differences resulting from this translation (unrealized gains and losses) are stated in the financial result.

Currency differences relating to a monetary element which, in substance, forms an integral part of the net investment in a consolidated foreign subsidiary are entered in shareholders' equity (in the "Translation reserves" item) up until the time of disposal or liquidation of this net investment.

2.6. Accounting for asset securitization transactions

Asset securitization transactions have been effected in the "Shipping Containers" business with the creation of the trusts TCLRT 95, TCLRT 98 and TLR 2001, and in the "Modular Buildings" business with the formation of GIE Modul Finance I.

These securitization transactions have enabled the Group to increase its capacity as an operational lessor by calling upon external investors to acquire the assets necessary for the Group's leasing and service activities and to provide the financing.

Each of these securitization transactions has been analyzed in detail and in substance in the light of interpretation SIC 12 "Consolidation – Special Purpose Entities (cf. below). On this basis, the Group does not control any special purpose entities. Consequently, the Trusts and GIE Modul Finance I are not consolidated by the TOUAX Group.

These transactions and their impacts on the financial statements are described in the notes (§ 27.5, § 27.6, § 27.7, § 27.8).

- **Analysis of asset securitization transactions**

Paragraph 10 of SIC 12 states: *"In addition to the situations described in IAS 27.13, the following circumstances, for example, may indicate a relationship in which an entity controls an SPE [special purpose entity] and consequently should consolidate the SPE (additional guidance is provided in the Appendix to this Interpretation):*

(a) in substance, the activities of the SPE are being conducted on behalf of the entity according to its specific business needs so that the entity obtains benefits from the SPE's operation;

(b) in substance, the entity has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an "autopilot" mechanism, the entity has delegated these decision-making powers;

(c) in substance, the entity has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE; or

(d) in substance, the entity retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities."

The services and asset management activities provided by the Group have been concluded within the context of pre-existing entities which were not formed solely for the specific operational purposes of the Group. The Group does not have decision-making powers in respect of the entities concerned or their assets. The Group does not have rights which confer upon it the majority of the economic benefits of the said entities or transfer to it the majority of the risks associated with the activities or securitization assets. Full information on these transactions is provided in the notes (§ 27.5, § 27.6, § 27.7, § 27.8).

GIE Modul Finance I

a) The services provided by the TOUAX Group in the context of the activity of the GIE would not necessarily have existed if this GIE had not been formed. In other words, the GIE was not formed for the specific operational needs of the TOUAX Group. GIE Modul Finance I is considered to be simply an investor in equipment for which the Group provides an asset management service as it does for its other investors.

b) The Group does not have decision-making or management powers in respect of GIE Modul Finance I. It does not, for example, have the power to dissolve the entity, to amend its articles of association or to oppose their amendment.

c) The financial advantages from which the Group benefits for GIE Module Finance I are limited to the net value of the initial commission and the management commissions for the equipment belonging to the GIE. These advantages are not significant compared to the value of the equipment. Furthermore, the Group does not have any right of ownership of equipment on the liquidation of the GIE.

d) In the event that the return on the equipment belonging to the GIE is insufficient to enable the GIE to achieve its expected profitability, the GIE may draw on the collateral deposits paid by the Group. The Group does not guarantee any fixed rent. The Group does not guarantee the profitability of the GIE. As in the case of the 1995 Trust detailed in the following paragraphs, the Group's risk relating to GIE Modul Finance I are limited to the collateral deposits, loans and other advances as presented in § 27.5. These risks are not significant compared to the value of the equipment.

Consequently, since the Group does not exercise control of the GIE within the meaning of SIC 12, GIE Modul Finance I does not form part of the scope of consolidation.

Trust TCLRT 95

a) The 1995 Trust does not exist for the specific operational needs of TOUAX. The management services for the assets of the 1995 Trust would not have been provided by the Group if the 1995 Trust had not been formed. For the Group, the 1995 Trust is simply one of a number of investors in equipment.

b) The Group has no decision-making or management power in respect of the 1995 Trust. It does not have the power to dissolve the entity, to amend its articles of association or to oppose their amendment. For example, the TOUAX Group was not able formally to oppose the decision taken by the 1995 Trust to sell all of its assets.

c) The financial advantages from which the Group benefited for the 1995 Trust were limited to the net value of the initial commission and the management commissions for equipment belonging to the 1995 Trust. These advantages are not significant compared to the value of the equipment. Furthermore, the Group did not have any right of ownership of the equipment at the time of the sale of the equipment. The Group did not acquire the equipment of the 1995 Trust.

d) In the event that the return on the equipment belonging to the 1995 Trust was insufficient to enable the 1995 Trust to achieve its expected profitability, the Trust was able to draw on the collateral deposits paid by the Group. Since the trust was technically in default, it drew on all of the collateral deposits paid by the Group. The Group did not guarantee any fixed rent. The Group did not guarantee the profitability of the 1995 Trust. The Group owned 10% of the equity of the 1995 Trust. The risks of the Group were limited to the collateral deposits and to its share of the equity as presented in § 27.6. These risks are not significant compared to the value of the equipment. The Group suffered no additional loss at the time of the early closure of the 1995 Trust other than the items mentioned above, in spite of the fact that the trust was in default.

Consequently, since the Group did not exercise control of the 1995 Trust within the meaning of SIC 12, the 1995 Trust does not form part of the scope of consolidation.

Trust TCLRT 98

a) The services provided by the Group in the context of the management of the assets of the 1998 Trust would not have existed if the 1998 Trust had not been formed. The 1998 Trust is simply one of a number of investors in equipment.

b) The Group has no decision-making or management power in respect of the 1998 Trust. It does not have the power to dissolve the entity, to amend its articles of association or to oppose their amendment. For example, the Group requested the authorization of the 1998 Trust to sell some of their "run of river" equipment. Since the trust has not given its authorization, the Group does not have the right to effect such sales.

c) The financial advantages from which the Group benefits for the 1998 Trust are limited to the net value of the initial commission and the management commissions for the equipment belonging to the 1998 Trust. These advantages are not significant compared to the value of the equipment. Furthermore, the Group does not have any right of ownership of the equipment at the time of the sale of the equipment.

d) In the event that the return on the equipment belonging to the 1998 Trust is insufficient to enable the 1998 Trust to achieve its expected profitability, the Trust may draw on the collateral deposits paid by the Group. The Group does not guarantee any fixed rent. The Group does not guarantee the profitability of the 1998 Trust. As in the case of the 1995 Trust, the Group's risks in relation to the 1998 Trust are limited to the collateral deposits and other advances as presented in § 27.7. These risks are not significant compared to the value of the equipment. It should also be noted that unlike in the case of the 1995 Trust, the Group does not own a share of the equity of the 1998 Trust.

Consequently, since the Group does not exercise control of the 1998 trust within the meaning of SIC 12, the 1998 Trust does not form part of the scope of consolidation.

Trust TLR 2001

a) The Group would not have provided the services forming part of the activities of the 2001 Trust if this Trust had not been formed. The 2001 Trust is simply one of a number of investors in equipment.

b) The Group has no decision-making or management power in respect of the 2001 Trust. For example, it does not have the power to dissolve the entity, to amend its articles of association or to oppose their amendment.

c) The financial advantages from which the Group benefits for the 2001 Trust are limited to the net value of the initial commission and the management commissions for the equipment belonging to the 2001 Trust. These advantages are not significant compared to the value of the equipment. Unlike in the case of the other asset securitizations, the Group has a purchase option in respect of the equipment at the time of the liquidation of the 2001 Trust. This purchase option is at market value and is not sufficiently attractive for the Group to be certain of acquiring the equipment on the liquidation of the 2001 Trust. The Group is not currently planning to acquire the equipment of the 2001 Trust.

d) In the event that the return on the equipment belonging to the 2001 Trust is insufficient to enable the 2001 Trust to achieve its expected profitability, the Trust may draw on the collateral deposits paid by the Group. The Group does not guarantee any fixed rent. The Group does not guarantee the profitability of the 2001 Trust. As in the case of the 1995 Trust, the Group's risks relating to the 2001 Trust are limited to the liquidity reserves as presented in § 27.8. These risks are not significant compared to the value of the equipment. It should also be noted that unlike in the case of the 1995 Trust, the Group does not have a share of the equity of the 2001 Trust.

Consequently, since the Group does not exercise control of the 2001 Trust within the meaning of SIC 12, the 2001 Trust does not form part of the scope of consolidation.

2.7. Goodwill

Goodwill represents the excess of acquisition cost over the fair value of assets less liabilities of acquired companies on the date on which they were taken into control.

Under IFRS 3 "Business combinations", goodwill is no longer amortized. In accordance with IAS 36 "Impairment of assets", it is subjected to an impairment test at least once a year or more frequently if there is an indication of a loss of value. The test conditions are intended to ensure that the recoverable value of the cash-generating unit to which the goodwill is allocated or attached (generally the legal entity in the case of the Group) is at least equal to its net book value (cf. 2.10 – Loss of value of fixed assets). If a loss of value is ascertained, an irreversible provision is entered in the operating income, on a separate line.

In accordance with the transitional measures authorized by IFRS 1 "first-time adoption of IFRS", acquisitions and business groupings stated in the accounts before 1 January 2004 have not been adjusted, and the goodwill carried on that date has been entered in the opening balance sheet as at 1 January 2004 net of amortization, this amount becoming the new book value under IFRS.

2.8. Other intangible fixed assets

Depreciation of software, which is included under intangible assets, is calculated on a straight-line basis over a three-year period.

2.9. Tangible fixed assets

- **Valuation at cost net of depreciation and impairment**

Except where they are acquired as part of the acquisition of a company, tangible fixed assets are stated at their acquisition or production cost. Capital gains resulting from intragroup disposals and revaluations resulting from mergers and partial asset conveyances are eliminated from the consolidated financial statements. At each closing date, the acquisition cost is reduced by the amount of accumulated depreciation and provisions for impairment determined in accordance with IAS 36 - Impairment of Assets (cf. § 2.10).

The cost of borrowings used to finance assets over a long period of service or manufacture are not included in the entry cost of fixed assets: they are accounted for in charges for the period.

➢ Component-based approach

Standard IAS 16 “Property, plant and equipment” requires that the main components of a fixed asset which have a useful life shorter than that of the main fixed asset be identified so that they can be depreciated over their own useful life.

The component-based approach has been applied particularly to the “River barges” business. The acquisition price of the pushboats has been broken down between the hull and the engine, in order to depreciate engines over a useful life which generally does not exceed 10 years.

➢ Depreciation

Depreciation is calculated by the straight-line method over the useful life of the fixed assets. Land is not depreciated.

The useful life of new equipment falls within the following ranges:

▪ Shipping containers (of the dry goods type)	15 years
▪ Modular buildings	20 years
▪ River transport (barges and pushboats)	30 years
▪ Railcars	30 years

Shipping containers are depreciated with a residual value of 15% in accordance with the standard practice in the industry.

Modular buildings in the United States are depreciated over 20 years on the basis of a residual value of 50% in accordance with the practice in the United States.

Secondhand equipment is depreciated by the straight-line method over its remaining useful life.

The residual values applied are in line with the past experience of the Group. No residual value is applied in the case of railcars.

The useful lives of secondhand barges depend on the past use of the barges and the materials transported (certain materials being more corrosive than others). The useful life of each barge acquired secondhand is estimated as a function of the date of construction of the barge, past use and the materials transported. The total useful life does not exceed 36 years.

2.10. Loss of value of fixed assets

In accordance with standard IAS 36 “Impairment of assets”, the recoverable value of tangible and intangible fixed assets is tested as soon as there is any indication of a loss of internal or external value, this being reviewed at each closing date. This test is carried out at least once per year for all assets of an indefinite life, i.e. goodwill in the case of the Group.

For this test, the fixed assets are grouped into cash-generating units (CGUs). The CGUs are homogenous groups of assets whose continuous use generates cash inflows which are largely independent of the cash inflows generated by other groups of assets. The recoverable value of these units is most often determined in relation to their utility value, i.e. on the basis of discounted net future cash flows taking into account economic assumptions and forecast operating budgets confirmed by the Management.

Where the recoverable value is less than the net book value of the CGU, a loss of value is recorded. Where a CGU contains goodwill, the loss of value is applied first to the goodwill, before any impairment is entered against the other fixed assets of the CGU.

However, in certain cases, the appearance of value-loss factors specific to certain assets may provide grounds for a test and justify an impairment of these assets regardless of the CGU to which they relate.

Except in the case of Touax SCA and Touax Rom SA, the Group's CGUs comprise consolidated subsidiaries which carry out their activities in only one area of the Group's activity within the meaning of IAS 14 (cf. § 2.21) and geographical areas which differ from those of the other subsidiaries.

The consolidating company TOUAX SCA generates most of its revenues in "Modular buildings". It also has a river leasing activity, which is carried out directly and by its subsidiary TOUAX Rom SA. If an impairment test has to be carried out, analytical tracking enables the flows from the various activities and corresponding assets to be isolated.

2.11. Lease contracts

As a result of its operational leasing activities (to its customers) and in the context of the assets administered under pool contracts with investors (cf. § 2.6, § 2.19.1, and § 2.19.2), the Group enters into numerous lease contracts, both as a lessor and as a lessee.

In addition, the Group manages a certain number of assets for its own account.

The management contracts entered into between the Group and the investors do not have the characteristics of a finance lease according to the criteria set out in IAS 17. The sums paid to investors are stated in net revenues distributed to investors (cf. § 2.19.7).

Lease contracts entered into with customers are analyzed in the light of the criteria set out in IAS 17. They are simple lease contracts, both in the case of those (the majority) which are short- or long-term operational lease contracts and in the case of certain lease-purchase contracts which are re-financed by banks and include provisions which protect the Group from the risks inherent in the equipment or in the default of customers (non-recourse provisions in favor of the Group). Leasing revenues (cf. § 2.19.2) are stated in revenue on a straight-line basis over the term of the lease contract.

The assets managed by the Group in its own name are stated in tangible fixed assets where they are financed by means of finance leases which transfer to the Group almost all of the risks and benefits inherent in the ownership of the leased asset. They are stated in the assets of the balance sheet at the lower of the fair value of the leased asset at the start of the contract or the discounted value of the minimum payments under the lease. The corresponding debt is stated in financial liabilities. Payments in respect of the lease are broken down into the financial expense and the amortization of the debt in order to obtain a constant periodic rate for the balance of the borrowing included in the liabilities. Assets which are the subject of a finance lease are depreciated over their useful life in accordance with the rules applied by the Group (cf. § 2.9) They are tested for impairment in accordance with IAS 36 “Impairment of Assets” (cf. § 2.10).

Assets acquired by the Group under lease (head office, administrative buildings, equipment) in respect of which the lessor retains almost all of the risks and benefits inherent in the ownership of the asset are simple leases. Payments in respect of these contracts are stated in expenses on a straight-line basis over the term of the contract.

2.12. Stocks

Stocks essentially comprise assets purchased for resale in the “Shipping containers” business and, to a lesser degree, in the “Modular buildings” and “Railcars” businesses.

Stocks are valued at the lower of cost and net realizable value.

The net realizable value is the estimated sale price in the normal course of business, less estimated costs of completion and the estimated costs necessary to achieve the sale.

2.13. Provisions for liabilities and charges

A provision is created when, on the closing date of the period, the Group has a current (legal or implicit) obligation and it is likely that resources will have to be disbursed, of an amount which can be reliably estimated, in order to fulfill this obligation.

Provisions are created in respect of disputes and litigation (social, technical and fiscal) where the Group has an obligation to a third party at the closing date. The provision is valued on the basis of the best estimate of the foreseeable expenses.

2.14. Pension and similar commitments

The Group’s pension liabilities relate only to end-of-career payments to employees of French companies. The Group has no liability within any other significant defined-benefit schemes, nor in any defined-contribution scheme.

Pension liabilities of French companies are valued and accounted for in accordance with IAS 19 “Employee benefits”.

2.15. Non-current long-term liabilities

In the "Shipping containers" activity, initial commissions received by the Group on the first sales of containers to the Trusts TCLRT 98 and TLR 2001 have been used to create collateral deposits and liquidity reserves which will only be recoverable at the end of the life of the Trusts. These deposits and reserves are intended in particular to enable the Trusts to cover their debt repayments in the event that the net revenues distributed by the Group to the Trusts prove insufficient (cf. § 2.6, § 27.5, § 27.6, § 27.7, § 27.8).

The economic benefits associated with the initial commissions will only become likely when the Group is able to recover the collateral deposits and liquidity reserves. Under these circumstances, and in accordance with IAS 18 "Revenue", the initial commissions received, up to the level of the collateral deposits and liquidity reserves, are deferred and entered in long-term non-current liabilities until the probable recovery of these deposits and liquidity reserves.

In the "Modular buildings" business, the same treatment is applied for the revenue collected on the formation of GIE Modul Finance 1 on sales of modules, for the formation of collateral deposits and reimbursable advance accounts allocated to guarantee repayment of the debts of the GIE. The revenue from sales of modules, up to the amount of the financial assets created to guarantee the GIE, is deferred in long-term non-current liabilities and will only be entered in income when the associated economic benefits become probable for the Group (cf. § 2.6, § § 27.5, § 27.6, § 27.7, § 27.8).

The deferred commissions are discounted at the same rates and at the same date as the underlying financial assets (cf. § 2.17.2).

2.16. Treasury stock

Treasury stock held by the Group is stated at acquisition cost as a deduction from shareholders' equity. Income from the disposal of such stock is allocated directly as an increase in shareholders' equity, in such a way that the capital gains or losses do not affect the consolidated result.

2.17. Financial instruments

2.17.1. Impacts of the first-time application of IAS 32 and 39 on financial instruments

Financial instruments include financial assets and liabilities as well as derivative instruments.

In accordance with the transitional provisions contained in IFRS 1 "First-time adoption of IFRS", IAS 32 "Financial instruments: disclosure and presentation" and IAS 39 "Financial instruments: recognition and measurement", the Group has chosen only to apply standards IAS 32 and 39 with effect from 1 January 2005. The comparative information for 2004 therefore does not include the impact of these standards.

The first-time application of the standards IAS 32 and 39 as at 1 January 2005 and in the half-year financial statements as at 30 June 2005 has limited impacts:

- Changes in the fair value of interest-rate swap contracts on Group borrowings have been measured and recognized (cf. 2.17.4);
- Long-term financial assets (loans and receivables, collateral deposits and liquidity reserves created on the start-up of the TCLRT 98 and TLR 2001 Trusts and GIE Modul Finance I – cf. § 27.5, § 27.6, § 27.7, § 27.8) are discounted at the rate applying to government bonds with the same maturity.
- Non-current long-term liabilities corresponding to deferred income and deducted for the formation of collateral deposits and liquidity reserves for the TCLRT 98 and TLR 2001 Trusts and GIE Modul Finance I are discounted at the same rates (cf. § 2.6, § 2.15, § 27.5, § 27.6, § 27.7, § 27.8).

The impacts of the application of standards IAS 32 and 39 as at 1 January and 30 June 2005 are stated in terms of figures in the table of changes in shareholders' equity.

2.17.2. Financial assets

The financial assets of the Group comprise:

- Non-current financial assets: essentially guarantees and collateral deposits associated with the formation of the TCLRT 98 and TLR 2001 Trusts and GIE Modul Finance I (cf. § 2.6, § 2.15, § 27.5, § 27.6, § 27.7, § 27.8), equity securities of non-consolidated companies, commissions receivable from GIE Modul Finance I;
- Current financial assets including trade receivables and other operating receivables, cash and cash equivalents (investment securities).

At the end of each accounting period, the financial assets are valued in accordance with their classification under IAS 39.

➢ Financial assets for which changes in fair value are taken to the income statement

Investment securities are valued at their fair value at the closing date and changes in their fair value are entered in the financial result. Consequently, they are not subject to any impairment test. The fair values are determined mainly by reference to market prices.

➢ Loans and receivables

In the Group, this category includes:

- Long-term loans;
- Trade creditors and other operating receivables.

These financial assets are valued at cost amortized in accordance with the effective interest rate method.

- **Assets held to maturity**

These are non-derivative financial assets with fixed or determinable payments, with a fixed maturity, which the company has the intention and capacity of retaining to maturity, other than receivables and loans and other than financial assets classified by the company in the two other categories (valued at fair value through the income statement, available for sale).

In the Group, the assets concerned are principally collateral deposits and guarantees.

These financial assets are valued at cost amortized in accordance with the effective interest rate method.

- **Assets available for sale**

Within the Group, this category only includes equity securities of non-consolidated companies. These are generally unlisted securities whose fair value cannot be estimated reliably. They are stated at cost and are subjected to an impairment test when the consolidated financial statements are closed.

- **Impairment test of financial assets**

Assets valued at amortized cost and assets available for sale must be subjected to an impairment test at each closing date if there is an indication of a loss of value.

For assets valued at amortized cost, the amount of the impairment is equal to the difference between the book value of the asset and the discounted value of expected future cash flows, taking into account the situation of the counterparty, determined using the original effective interest rate of the financial instrument. The expected cash flows from short-term assets are not discounted.

It should be noted that in the case of long-term assets held in the Trusts and GIE Modul Finance 1, the assessment of any loss of value takes into account the corresponding long-term liabilities entered by the Group (deferred initial commissions – cf. § 2.15).

Losses of value are stated in the financial result for the period.

2.17.3. Cash and cash equivalents

The "Cash" item in the balance sheet comprises the balances of current bank accounts and shares in cash UCITS investment funds which can be accessed in the short term.

The cash position in the cash flow statements is closed on the basis of the cash position defined above, net of current bank advances and overdrafts.

2.17.4. Financial liabilities

The financial liabilities of the Group comprise interest-bearing bank borrowings and derivative instruments.

Borrowings are broken down into current liabilities, covering the part repayable within 12 months of the closing date, and non-current liabilities, covering amounts due after more than 12 months.

Interest-bearing borrowings are initially entered at historical cost less associated transaction costs.

At the closing date, financial liabilities are then valued at their amortized cost in accordance with the effective interest rate method.

2.17.5. Group's exposure to currency risks – derivative financial instruments

TOUAX SCA and its subsidiaries do not use derivative financial instruments to hedge their commercial operations in foreign currencies. The Group considers that the exchange risks incurred are low, with operating activities being organized in such a way that the assets and liabilities, income and expenses within a single business are denominated in the same currency.

The Group refinances its operations mainly by means of variable rate borrowings and uses derivative interest rate instruments to reduce its exposure to interest rate risk.

Variable rate borrowings for which interest rate swap contracts have been entered into are the subject of cash flow hedging accounting. Changes in the fair value of swap contracts associated with changes in interest rates are stated in shareholders' equity if their effectiveness is tested against the criteria of IAS 39. Failing that, they are stated directly in the financial result.

2.18. Corporation tax

Deferred taxes are stated without discounting in accordance with the variable carry-forward method in respect of timing differences between the tax bases of the assets and liabilities and their book value in the consolidated financial statements. Hence the corresponding tax charge is associated with each period, taking into account in particular any time lags between the date of recording certain income and expenses and their effective tax impact.

Deferred tax assets resulting from these temporary differences or tax losses available for carry-forward are only maintained to the extent that the companies or groups of fiscally integrated companies are reasonably sure of recovering them in the course of the subsequent years.

The rates used to calculate deferred taxes are the tax rates known at the closing date of the financial statements.

In the balance sheet, the tax assets and liabilities relating to a single tax entity (for example a tax integration group) are presented as a net figure.

The deferred and due tax is stated as an income or expense item in the income statement except where it relates to a transaction on event which is accounted for directly in shareholders' equity.

The deferred tax is presented under specific balance sheet headings forming part of non-current assets and non-current liabilities.

2.19. Revenue and expenses of activities

2.19.1. Revenue from activities: the various components

The Group is an operational lessor of standardized, mobile equipment which it owns or manages on behalf of third parties.

In the case of management for third parties, the Group purchases new equipment and sells it to investors. The investors entrust the management of their equipment to the Group under management contracts. The Group leases the managed equipment to its customers (cf. § 2.19.2 and § 2.19.3).

The Group also has trading activities (purchasing of assets with a view to resale – cf. § 2.19.4).

Finally, it may resell to investors or to third-party customers equipment which it previously owned (capitalized equipment) and leased to customers (cf. § 2.19.5).

2.19.2. Statement and recognition of revenue and expenses associated with trust contracts and management contracts for third parties entered into by the Group

The Group operates and manages equipment on behalf of third parties as part of its activities in river transport and barge leasing and in the leasing of shipping containers, modular buildings and railcars. Pools (including the Trusts and the GIE described in § 2.6) are created for this purpose, bringing together several investors, including the Group. This organization allows the pooling of revenues and expenses for the equipment grouped in a single pool.

From the substantive analysis of the management and securitization contracts in the light of international standards, it can be concluded that the Group is acting in a capacity of principal in its relationships on the one hand with investors (pools, trusts or GIE) and on the other hand with customers. The Group is entirely free to choose the customers, producers and suppliers with which it deals and in the negotiation of purchase, leasing and sale prices of the managed equipment.

Consequently, the Group records in its income statement all of the income and expense flows generated by the contracts. The Group records in revenues the gross leasing revenues invoiced to its customers for all the equipment managed in pools. The operating expenses relating to all the managed equipment are stated in operating expenses. A share of net revenues is paid to investors (cf. § 2.19.7).

The following factors and criteria are taken into account in determining whether the Group has the capacity of a principal:

- IAS 18 does not specify the conditions or criteria on which to distinguish between an agent and principal. Consequently, having regard to IAS 8, the transaction may be examined by reference to US GAAP (EITF 99-19), the principles of which do not conflict with the framework of the IASB or other IAS/IFRS standards.
- The review of the criteria of EITF 99-19 is detailed in the following paragraphs.

The criteria qualifying a company as a principal are:

- *The company is the primary obligor in the arrangement:* TOUAX SCA and its subsidiaries sign lease contracts directly with their customers. The customers do not know the owners of the equipment.
- *The company has general inventory risk:* TOUAX SCA and its subsidiaries are the first to bear the risks associated with the equipment. TOUAX then turns to the owners to obtain compensation.
- *The company has latitude in establishing price:* TOUAX SCA and its subsidiaries have full freedom to choose their customers and their leasing rates, without referring to the owners of the equipment.
- *The company changes the product or performs part of the service:* TOUAX SCA and its subsidiaries sign identical contracts with the customers without any distinction between the owners of the equipment.
- *The company has discretion in supplier selection:* TOUAX SCA and its subsidiaries are free to select their suppliers without referring to the owners of the equipment.
- *The company has physical loss inventory risk:* TOUAX SCA and its subsidiaries are the first to bear the risk of loss of containers. TOUAX SCA then turns to its customers or suppliers to obtain compensation for the loss of containers and pays this compensation to the owners of the equipment.
- *The company has credit risk: each owner of equipment bears his own credit risk.* TOUAX SCA and its subsidiaries bear the credit risk for their share of the pools. TOUAX SCA and its subsidiaries are responsible for recovery. In the event of default by its customer, TOUAX SCA is required to do its utmost to find the owners' containers.

The criteria qualifying an agent company are:

- *The supplier (not the company) is the primary obligor in the arrangement:* No, as previously stated, TOUAX SCA and its subsidiaries deal directly with their customers, who do not know the owners of the equipment.
- *The amount the company earned is fixed:* No, TOUAX SCA and its subsidiaries receive variable remuneration. The rents billed by TOUAX SCA and its subsidiaries to their customers are independent of the rents between TOUAX SCA and the owners of the equipment.
- *The supplier (and not the company) has credit risk: each owner of equipment bears his own credit risk*. TOUAX SCA and its subsidiaries bear the credit risk for their share of the pools. TOUAX SCA and its subsidiaries are responsible for recovery. In the

event of default by its customer, TOUAX SCA is required to do its utmost to find the owners' containers.

On the basis of these factors and the comparison with comparable companies (particularly Cronos), it is possible to conclude that TOUAX SCA is acting as the principal. The Cronos Group is an American company listed in the USA and operates a shipping container leasing business which is very similar to that of TOUAX SCA.

2.19.3. Leasing revenues

The leasing revenues comprise revenues from the leasing of equipment managed on behalf of or owned by the Group in the four business segments of the Group and those resulting from the additional services invoiced at the time of leasing. They also include the revenues from the river barges activity arising from transport, chartering and storage activities.

The trend in leasing revenues is therefore directly linked to the fleets of equipment managed and owned by the Group, the leasing rates and the rate of utilization of the equipment.

2.19.4. Sales of equipment

Sales of equipment correspond to the revenues generated by trading, principally in the "Modular buildings" business and sales to investors in the "Shipping containers" and "Railcars" businesses. The corresponding purchases of equipment are entered in "external purchases and expenses" in the presentation of the income statement by type and in "cost of sales" in the presentation of the income statement by function. Purchased equipment which has not yet been resold is included in the stocks at the end of the period (cf. § 2.12).

2.19.5. Capital gains on disposals

In the case of river barges and modular buildings, sales to investors are recorded in capital gains on disposals. These assets are acquired by the Group as fixed assets and operated by the Group for a period generally exceeding 12 months before they are resold to investors.

Expenses relating to sales of equipment (placement commissions, legal expenses, tax consultations, etc) are entered in "external purchases and expenses" in the presentation of the trading statement by type and in "operating expenses of activities" in the presentation of the analytical income statement.

2.19.6. Net transfer to operating provisions

This item mainly comprises amounts provided and released in respect of provisions for doubtful debts.

2.19.7. Net distributions to investors

Revenues and operating expenses of pools of investors (cf. § 2.19.2) are broken down analytically by pool and the resulting net revenues, less a management commission retained by the Group, are divided among the investors in the pools in accordance with the distribution rules laid down for each management program.

The portion of revenues payable to third-party investors is carried in net distributions to investors in accordance with the usual practice adopted in the industry by parties managing property on behalf of third parties.

2.20. Operating income

Operating income is the difference between pretax income and expenses other than those of a financial nature and excluding the results of activities which are discontinued or being divested.

EBITDA (earnings before interest, tax, depreciation and amortization) is an important indicator for the Group, allowing the Group's recurrent performance to be measured. It is obtained on the basis of the operating income before depreciation of fixed assets and impairment of goodwill and fixed assets stated in connection with impairment tests in accordance with IAS 36 (cf. § 2.10).

The gross operating profit, unlike EBITDA, does not take into account provisions on current assets (such as provisions for doubtful debts).

2.21. Segment information

Having regard to the fundamental internal organizational and management structure of the Group, the first level of segment reporting applied in accordance with IAS 14 "Segment reporting" is based on the business segments of the Group. The second level of segment reporting is geographic.

The Group's business is the operational leasing of standardized, mobile equipment. It operates in four business segments: shipping containers, modular buildings, river barges and freight railcars.

§9 of IAS 14 defines a geographic segment as: "a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. Factors that shall be considered in identifying geographical segments include: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risks. §13 of IAS 14 also indicates that "The risks and returns of an enterprise are influenced both by the geographical location of its operations (where its products are produced or where its service delivery activities are based) and also by the location of its markets (where its products are sold or

services are rendered). The definition allows geographical segments to be based on either: (a) the location of an enterprise's production or service facilities and other assets; or (b) the location of its markets and customers".

In the modular buildings, river barges and freight railcars businesses, the location of the services, the location of the markets and the location of the customers are identical.

In the shipping containers business, the location of the markets differs from the location of the customers and the location of the services. Shipping containers are regularly transported from one country to another in line with international commercial flows across hundreds of commercial routes. The Group neither knows nor controls the movements or location of leased containers. On the basis of the container lease contracts in existence as at 30 June 2005, containers may arrive at ports in over 100 countries throughout the world.

In accordance with IAS 34, only the first level of segment information is included in the presents half-year financial statements.

3. Scope of consolidation

Number of consolidated companies	juin-05	juin-04	2004
French companies	3	3	3
Foreign companies	27	25	27
TOTAL	**30**	**28**	**30**

3.1. Changes in the scope of consolidation

There were no changes in the scope of consolidation in the first half of 2005.

3.2. List of consolidated companies in the first half of 2005

COMPANY NAME	ADDRESS	CONTROL PERCENTAGE	METHOD OF CONSOLIDATION
TOUAX SCA Investment and holding company for investment and operating companies engaged in transport and leasing of equipment	Tour Arago – 5, rue Bellini - 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)		
ALMAFIN RAIL INVESTMENT Ltd Railcar investment, leasing and sales company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	49%	PI
CFCL TOUAX Llp Railcar investment, leasing and sales company	1013 Centre Road - WILMINGTON, DELAWARE 19805 (USA)	51%	PI
CS DE JONGE BV River transportation company	Plaza 22 - 4780 AA MOERDIJK (NETHERLANDS)	100%	GI
EUROBULK BELGIUM BVBA River transportation holding company	BC Leuven zone 2 – Interleuvnlaan - 62 Bus 10 - B3001 LEUVEN (BELGIUM)	97.9346%	GI
EUROBULK TRANSPORTMAATSCHAPPIJ BV River transportation and equipment management company	Amstelwijckweg 15 - 3316 BB DORDRECHT (NETHERLANDS)	100%	GI
GOLD CONTAINER Corporation Shipping container investment, leasing and sales company	169E Flager street - Suite 730 - MIAMI, FL 33131 (USA)	100%	GI
GOLD CONTAINER FINANCE Llc Shipping container investment company	169E Flager street - Suite 730 - MIAMI, FL 33131 (USA)	100%	GI
GOLD CONTAINER GmbH Modular building leasing and sales company	Lessingstrasse 52 – Postfach 1270 - 21625 NEU WULMSTORF (GERMANY)	100%	GI
INTERFEEDER-DUCOTRA BV Company for river transportation and repositioning of containers	Amstelwijckweg 15 - 3316 BB DORDRECHT (NETHERLANDS)	77.1359%	GI
MARSTEN/THG MODULAR LEASING Corp WORKSPACE PLUS D/B/A Modular building investment, leasing and sales company	801 Douglas Avenue - Suite 207 - ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
PORTABLE STORAGE SERVICES Llc Shipping container investment, leasing and sales company	169E Flager street - Suite 731 - MIAMI, FL 33131 (USA)	51%	GI
SIKO CONTAINERHANDEL GmbH Modular building leasing and sales company	Lessingstrasse 52 – Postfach 1270 - 21625 NEU WULMSTORF (GERMANY)	100%	GI
SIKO POLSKA Sp.z.o.o Modular building investment, leasing and sales company	21 Limbowa St - 80-175 GDANSK (POLAND)	100%	GI
TOUAX BV Modular building investment, leasing and sales company	Graanweg 13 (Havennr M240) - 4782 PP MOERDIJK (NETHERLANDS)	100%	GI
TOUAX CAPITAL SA Equipment management company	C/0 Progressia - 18 rue Saint Pierre - 1700 FRIBOURG (SWITZERLAND)	99.99%	GI

COMPANY NAME	ADDRESS	CONTROL PERCENTAGE	METHOD OF CONSOLIDATION
TOUAX CONTAINER LEASE RECEIVABLES Corporation Investment company in accordance with the Trust 98 constitution	1013 Centre Road - WILMINGTON, DELAWARE 19805 (USA)	100%	GI
TOUAX CONTENEURS SERVICES SNC Service company for shipping container business	Tour Arago – 5, rue Bellini - 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100%	GI
TOUAX Corporation Investment and holding company for equipment leasing and transport companies	801 Douglas Avenue - Suite 207 - ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
TOUAX EQUIPMENT LEASING Corporation Investment company in accordance with the Trust 2000 constitution	1013 Centre Road - WILMINGTON, DELAWARE 19805 (USA)	100%	GI
TOUAX ESPANA SA Modular building investment, leasing and sales company	P.I . Cobo Calleja - Ctra. Villaviciosa a Pinto, Km 17800 - 28947 FUENLABRADA - (SPAIN)	100%	GI
TOUAX FINANCE Incorporated Investment company in accordance with the Trust 95 constitution	Lockerman Square, Suite L 100 - DOVER, DELAWARE 19901 - (USA)	100%	GI
TOUAX LEASING Corporation River transportation company	801 Douglas Avenue - Suite 207 - ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
TOUAX LPG SA and IOV LTD River transportation company	Benjamin Constant 593 - ASUNCION (PARAGUAY)	100%	GI
TOUAX MODULES SERVICES SAS Service company for the modular buildings business	Tour Arago – 5, rue Bellini - 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100%	GI
TOUAX NV Modular building investment, leasing and sales company	Staatsbaan 4 C/1 bus 4 - 3210 LUBBEEK (BELGIUM)	100%	GI
TOUAX RAIL Ltd Railcar investment, leasing and sales company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	51%	PI
TOUAX RAIL FINANCE Ltd Railcar investment company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	50.46%	PI
TOUAX ROM SA River transportation company	Cladire administrativa Mol 1S, Étage 3 - CONSTANTA SUD-AGIGEA (ROMANIA)	97.9978%	GI
TOUAX RAIL ROMANIA SA (ex TOUAX SAAF SA) Railcar leasing and trading company	Cladire administrativa Mol 1S, Étage 3 - CONSTANTA SUD-AGIGEA (ROMANIA)	57.4996%	PI

GI = global integration
PI = proportional integration

4. Segment information

4.1. Income statement by business segment

30 June 2005 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry & Eliminations	Total
Leasing revenues	25,927	16,188	13,197	2,851	(572)	57,591
Sales of equipment	37,991	4,097		2,337		44,425
Commissions	25			14		39
TOTAL REVENUES	63,943	20,285	13,197	5,202	(572)	102,055
Capital gains on disposals	(11)	1,390	453	271	132	2,235
Revenues from activities	63,932	21,675	13,650	5,473	(440)	104,290
Cost of sales	(35,775)	(3,232)		(2,115)		(41,122)
Operating expenses of activities	(3,696)	(11,161)	(10,203)	(1,622)	25	(26,657)
Selling, general and administrative expenses	(2,751)	(1,844)	(1,214)	(409)	952	(5,266)
GROSS OPERATING MARGIN (EBITDA)	21,710	5,438	2,233	1,327	537	31,245
Depreciation, amortization and provisions	(518)	(1,681)	(804)	(93)	(75)	(3,171)
INCOME PER BUSINESS SEGMENT before distribution to investors	21,192	3,757	1,429	1,234	462	28,074
Net distribution to investors	(18,207)	(2,582)	(314)	(577)		(21,680)
INCOME PER BUSINESS SEGMENT after distribution to investors	2,985	1,175	1,115	657	462	6,394
Overheads						(1,832)
OPERATING INCOME after distribution to investors						4,562
Financial result						(1,093)
CURRENT RESULT BEFORE TAX						3,469
Corporation tax						(1,322)
NET INCOME OF CONSOLIDATED COMPANIES						2,147
Result of discontinued activities						
TOTAL CONSOLIDATED NET INCOME						2,147
Minority interests						51
CONSOLIDATED NET ATRIBUTABLE INCOME						2,198

The "sundry & eliminations" column relates mainly to intersegment eliminations and, to a negligible degree, to a real-estate activity.

30 June 2004 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry & Eliminations	Total
Leasing revenues	22,085	14,466	14,180	2,014	(509)	52,236
Sales of equipment	30,909	3,328		294		34,531
Commissions	27			13		40
TOTAL REVENUES	**53,021**	**17,794**	**14,180**	**2,321**	**(509)**	**86,807**
Capital gains on disposals	69	1,053	99	778		**1,999**
Revenues from activities	**53,090**	**18,847**	**14,279**	**3,099**	**(509)**	**88,806**
Cost of sales	(28,789)	(2,836)		(154)		(31,779)
Operating expenses of activities	(4,585)	(9,391)	(11,204)	(1,575)	3	(26,752)
Selling, general and administrative expenses	(2,082)	(1,494)	(1,250)	(189)	954	(4,061)
GROSS OPERATING MARGIN (EBITDA)	**17,634**	**5,126**	**1,825**	**1,181**	**448**	**26,214**
Depreciation & amortization and provisions	(541)	(2,017)	(844)	(51)	(54)	(3,507)
INCOME PER BUSINESS SEGMENT before distribution to investors	**17,093**	**3,109**	**981**	**1,130**	**394**	**22,707**
Net distribution to investors	(13,976)	(1,818)	(371)	(347)		(16,512)
INCOME PER BUSINESS SEGMENT after distribution to investors	**3,117**	**1,291**	**610**	**783**	**394**	**6,195**
Overheads						(2,032)
OPERATING INCOME after distribution to investors						**4,163**
Financial result						(2,340)
CURRENT INCOME BEFORE TAX						**1,823**
Corporation tax						(546)
NET INCOME OF CONSOLIDATED COMPANIES						**1,277**
Result of discontinued activities						
TOTAL CONSOLIDATED NET INCOME						**1,277**
Minority interests						215
CONSOLIDATED NET ATTRIBUTABLE INCOME						**1,492**

31 December 2004 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry & Eliminations	Total
Leasing revenues	46,372	31,161	29,119	4,655	(1,040)	110,267
Sales of equipment	57,587	5,953		6,687		70,227
Commissions	52			37		89
TOTAL REVENUES	**104,011**	**37,114**	**29,119**	**11,379**	**(1,040)**	**180,583**
Capital gains on disposals	(606)	2,536	370	2,247		4,547
Revenues from activities	**103,405**	**39,650**	**29,489**	**13,626**	**(1,040)**	**185,130**
Cost of sales	(54,010)	(5,176)		(5,949)		(65,135)
Operating expenses of activities	(7,304)	(23,413)	(23,257)	(3,139)	(5)	(57,118)
Selling, general and administrative expenses	(6,019)	(3,117)	(2,484)	(586)	1,892	(10,314)
GROSS OPERATING MARGIN (EBITDA)	**36,072**	**7,944**	**3,748**	**3,952**	**847**	**52,563**
Depreciation & amortization and provisions	(291)	(3,707)	(1,530)	(158)	(109)	(5,795)
INCOME PER BUSINESS SEGMENT before distribution to investors	**35,781**	**4,237**	**2,218**	**3,794**	**738**	**46,768**
Net distribution to investors	(31,314)	(4,027)	(746)	(775)		(36,862)
INCOME PER BUSINESS SEGMENT after distribution to investors	**4,467**	**210**	**1,472**	**3,019**	**738**	**9,906**
Overheads						(3,061)
OPERATING INCOME after distribution to investors						**6,845**
Financial result						(3,717)
CURRENT INCOME BEFORE TAX						**3,128**
Corporation tax						(337)
NET INCOME OF CONSOLIDATED COMPANIES						**2,791**
Result of discontinued activities						
TOTAL CONSOLIDATED NET INCOME						**2,791**
Minority interests						386
CONSOLIDATED NET ATTRIBUTABLE INCOME						**3,177**

4.2. Balance sheet by business segment

30 June 2005 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Total
ASSETS							
Goodwill		303	2,284				2,587
Other net intangible fixed assets		18			59		77
Net tangible fixed assets	11,014	41,689	18,889	3,885	775		76,252
Long-term financial assets	6,965	3,345	132		264		10,706
Other non-current assets		1,105					1,105
Deferred tax assets						2,642	2,642
Total non-current assets	**17,979**	**46,460**	**21,305**	**3,885**	**1,098**	**2,642**	**93,369**
Stocks and work in progress	18,654	1,460	61	4,375			24,550
Trade debtors	9,982	8,882	6,256	925	8		26,053
Other current assets	350	2,836	1,983	3,378		4,892	13,439
Cash and investment securities						30,456	30,456
Total current assets	**28,986**	**13,178**	**8,300**	**8,678**	**8**	**35,348**	**94,498**
TOTAL ASSETS						**37,990**	**187,867**
LIABILITIES							
Share capital						22,705	22,705
Reserves						10,867	10,867
Attrubutable income for the period						2,198	2,198
Shareholders' equity of the Group						**35,770**	**35,770**
Minority interests	(269)		362				93
Total shareholders' equity						**35,770**	**35,863**
Borrowings and financial debts						36,608	36,608
Deferred tax liabilities						857	857
Retirement and similar benefits	48	59				86	193
Other long-term liabilities	5,036	2,778					7,814
Total non-current liabilities	**5,084**	**2,837**				**37,551**	**45,472**
Provisions for liabilities and charges		267	28			55	350
Borrowings and current bank facilities						31,971	31,971
Trade creditors	31,267	6,351	3,683	1,193	505		42,999
Other liabilities	13,851	9,555	1,261	3,924		2,621	31,212
Total current liabilities	**45,118**	**16,173**	**4,972**	**5,117**	**505**	**34,647**	**106,532**
Liabilities intended for sale							
TOTAL LIABILITIES							**187,867**
Intangible & tangible investments for the period	**98**	**11,053**	**1,086**		**148**		**12,385**
Employees per business segment	**19**	**175**	**112**	**6**		**27**	**339**

30 June 2004 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Total
ASSETS							
Goodwill		304	2,348				2,652
Other net intangible fixed assets		70	1				71
Net tangible fixed assets	11,337	47,114	19,889	3,208	723		82,271
Long-term financial assets	8,108	3,618	480	108	407		12,721
Other non-current assets		1,013					1,013
Deferred tax assets						3,247	3,247
Total non-current assets	**19,445**	**52,119**	**22,718**	**3,316**	**1,130**	**3,247**	**101,975**
Stocks and work in progress	1,224	1,057	52	238			2,571
Trade debtors	15,936	7,344	4,692	830	21		28,823
Other current assets	870	1,844	2,217	2,699		1,822	9,452
Cash and cash-equivalents						25,766	25,766
Total current assets	**18,030**	**10,245**	**6,961**	**3,767**	**21**	**27,588**	**66,612**
TOTAL ASSETS						**30,835**	**168,587**
LIABILITIES							
Share capital						22,705	22,705
Reserves						10,499	10,499
Attributable income for the period						1,492	1,492
Shareholders' equity of the Group						**34,696**	**34,696**
Minority interests	(13)		484				**471**
Total shareholders' equity						**34,696**	**35,167**
Borrowings and financial debts						45,943	45,943
Deferred tax liabilities						589	589
Retirement and similar benefits	31	50				58	139
Other long-term liabilities	5,567	3,178					8,745
Total non-current liabilities	**5,598**	**3,228**				**46,590**	**55,416**
Provisions for liabilities and charges		162	84			52	298
Borrowings and current bank facilities						28,633	28,633
Trade creditors	18,746	5,142	3,065	470	999		28,422
Other liabilities	11,863	5,530	988	588		1,682	20,651
Total current liabilities	**30,609**	**10,834**	**4,137**	**1,058**	**999**	**30,367**	**78,004**
Liabilities intended for sale							
TOTAL LIABILITIES							**168,587**
Intangible and tangible investments for the period	**7,194**	**1,931**	**281**		**26**		**9,432**
Employees per business segment	**19**	**159**	**80**	**5**		**23**	**286**

31 December 2004 *(€ thousands)*	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Total
ASSETS							
Goodwill		302	2,342				2,644
Other net intangible fixed assets		51					51
Net tangible fixed assets	10,540	39,113	19,723	3,978	692		74,046
Long-term financial assets	6,649	3,694	181		604		11,128
Other non-current assets		1,116					1,116
Deferred tax assets						3,248	3,248
Total non-current assets	**17,189**	**44,276**	**22,246**	**3,978**	**1,296**	**3,248**	**92,233**
Stocks and work in progress	8,589	1,200	68	3,176			13,033
Trade debtors	12,435	8,141	5,845	1,666	7		28,094
Other current assets	1,114	1,096	1,671	5,849		4,362	14,092
Cash and cash-equivalents						32,154	32,154
Total current assets	**22,138**	**10,437**	**7,584**	**10,691**	**7**	**36,516**	**87,373**
TOTAL ASSETS						**39,764**	**179,606**
LIABILITIES							
Share capital						22,705	22,705
Reserves						7,986	7,986
Attributable income for the period						3,177	3,177
Shareholders' equity of the Group						**33,868**	**33,868**
Minority interests	(222)		368				146
Total shareholders' equity						**33,868**	**34,014**
Borrowings and financial debts						42,391	42,391
Deferred tax liabilities						729	729
Retirement and similar benefits	35	52				66	153
Other long-term liabilities	4,968	3,187					8,155
Total non-current liabilities	**5,003**	**3,239**				**43,186**	**51,428**
Provisions for liabilitilies and charges		182	41			44	267
Borrowings and current bank facilities (<1yr)						30,271	30,271
Trade creditors	20,842	7,146	3,601	3,543	644		35,776
Other liabilities	16,337	6,648	874	3,267		724	27,850
Total current liabilities	**37,179**	**13,976**	**4,516**	**6,810**	**644**	**31,039**	**94,164**
Liabilities intended for sale							
TOTAL LIABILITIES							**179,606**
Intangible and tangible investments for the period	**9,126**	**5,428**	**5,278**	**796**	**47**		**20,675**
Employees per business segment	**18**	**164**	**98**	**5**		**23**	**308**

4.3. Seasonal nature of activities

The comparability of the interim and full-year financial statements may be affected by the seasonal nature of the Group's businesses. The Group is expected to record a lower volume of business in the second half of 2005 than in the first half of 2005.

NOTES RELATING TO THE INCOME STATEMENT

5. Revenues

4.1. Breakdown by type *(€ thousands)*	30.06.2005	30.06.2004	Difference June 2005/2004	Difference (%)	2004
Leasing revenues	57,591	52,236	5,355	10%	110,267
Sales of equipment	44,425	34,531	9,894	29%	70,227
Commissions	39	40	(1)	-3%	89
TOTAL	**102,055**	**86,807**	**15,248**	**18%**	**180,583**

The increase in revenues corresponds to the increase in leasing revenues and the increase in sales of equipment.

The increase in leasing revenues is explained by the growth in the fleets under management in the shipping containers and railcars businesses and increased utilization and leasing rates in the modular buildings business.

The increase in sales of equipment reflects the growth in sales of shipping containers to investors and the increase in trading of modular buildings.

It should be noted that sales of shipping containers to investors may vary substantially from one half to the next.

6. Capital gains on disposals

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Capital gains on disposals	2,235	1,999	4,547
TOTAL	**2,235**	**1,999**	**4,547**

Capital gains on disposals as at 30 June 2005 relate mainly to the conclusion of management programs for the modular buildings business and the sale of river barges in the United States.

The conclusion of management programs may vary substantially from one half to the next.

7. Purchases and other external expenses

(€ thousands)	30.06.2005	30.06.2004	Difference June 2005/2004	Difference (%)	2004
Purchases of goods	(41,565)	(32,215)	(9,350)	29%	(66,038)
Other external services	(25,899)	(26,462)	563	-2%	(57,880)
Taxes and duties	(239)	(221)	(18)	8%	(454)
TOTAL	(67,703)	(58,898)	(8,805)	15%	(124,372)

Purchases of goods

The increase in purchases of goods results from the increase in sales of equipment, particularly shipping containers.

Other external services

The decrease in other external services is associated essentially with the decline in certain chartering activities.

8. Personnel costs

	30.06.2005	30.06.2004	31.12.2004
Salaries & social charges	(7,232)	(5,445)	(11,550)
Employees	339	286	308

Policy on personnel profit-sharing

There are no profit-sharing schemes for personnel. However, certain categories of personnel (executives, sales employees) receive annual performance bonuses determined on an individual basis or stock options.

9. Depreciation, amortization and operating provisions

(€ thousands)	30.06.2005	30.06.2004	Difference June 2005/2004	Difference (%)	2004
Straight-line depreciation	(2,213)	(2,236)	23	-1%	(4,505)
Depreciation in respect of leasing	(833)	(1,127)	294	-26%	(1,944)
Sub total	(3,046)	(3,363)	317	-9%	(6,449)
Other transfers to provisions	(125)	(144)	19	-13%	654
TOTAL	(3,171)	(3,507)	336	-10%	(5,795)

The decline in depreciation and amortization is associated with the sale to investors of assets whose management is entrusted to the Group. These sold assets relate to the modular buildings and railcars businesses.

In the first half of the year, the other transfers to provisions mainly comprised transfers to provisions for disputes and pension commitments.

10. Net distributions to investors

Net distributions to investors are analyzed by business as follows:

(€ thousands)	30.06.2005	30.06.2004	Difference June 2005/2004	Difference (%)	2004
Shipping containers	(18,207)	(13,976)	(4,231)	30%	(31,314)
Modular buildings	(2,582)	(1,818)	(764)	42%	(4,027)
River barges	(314)	(371)	57	-15%	(746)
Railcars	(577)	(347)	(230)	66%	(775)
TOTAL	(21,680)	(16,512)	(5,168)	31%	(36,862)

The increase in net distributions to investors is explained by the growth in the fleets under management.

➢ Shipping containers

The Group manages a container fleet of 240,997 TEU on behalf of third parties:

- Trust 98 and Trust 2001 (34,476 containers, i.e. 53,215 TEU),
- Management programs (126,059 containers, i.e. 187,782 TEU).

➢ Modular buildings

The Group manages 12,419 modular buildings in France, the United States, Germany and the Netherlands on behalf of third parties.

➢ River barges

Revenues paid to investors relate to a fleet managed in the Netherlands by the subsidiary Eurobulk Transport Maatschappij BV under bareboat lease contracts.

➢ Railcars

The Group manages 2,259 railcars in Europe and the United States on behalf of third parties.

11. Financial result

(€ thousands)	30.06.2005	30.06.2004	Difference June 2005/2004	Difference (%)	2004
Financial income and expenses					
Financial income	81	84	(3)	-4%	145
Financial expenses	(1,498)	(2,285)	787	-34%	(3,461)
Net financial expenses	(1,417)	(2,201)	784	-36%	(3,316)
Provisions					
Amounts released from provisions	166		166		
Amounts transferred to provisions	(76)	(484)	408	-84%	(532)
Net transfers to provisions	90	(484)	574	-119%	(532)
Exchange difference					
Positive	564	615	(51)	-8%	1,052
Negative	(330)	(270)	(60)	22%	(921)
Net exchange difference	234	345	(111)	-32%	131
FINANCIAL RESULT	(1,093)	(2,340)	1,247	-53%	(3,717)

The decrease in the financial loss is associated directly with the reduction in the Group's financial debt (cf. § 22.3) and foreign exchange gains.

12. Corporation tax

Corporation tax comprises due taxes payable by Group companies and deferred taxes arising from tax losses and timing differences between the consolidated financial statements and fiscal results.

The Group has opted for the tax consolidation system in the United States, France and the Netherlands. The American fiscal group comprises the companies TOUAX Corp., TOUAX Leasing Corp., Gold Container Corp., Gold Container Finance Llc, Portable Storage Services Llc, Workspace Plus, TOUAX Finance Inc., TOUAX Container Lease Receivables Corp. ("Leasco 1") and TOUAX Equipment Leasing Corp. ("Leasco 2"). The French fiscal group comprises the companies TOUAX SCA and TOUAX Modules Services SAS. The legal reorganization of the businesses in the Benelux countries has resulted in the creation of two Dutch fiscal groups; TOUAX BV on the one hand and EUROBULK Transport Maatschappij BV and CS de Jonge BV on the other hand.

Breakdown of the tax charge

(€ thousands)	30.06.2005			30.06.2004			2004		
	Due	Deferred	Total	Due	Deferred	Total	Due	Deferred	Total
Europe	(26)	(148)	(174)	(253)	274	21	(291)	(45)	(336)
United States		(1,182)	(1,182)		(579)	(579)	(2)		(2)
Others		34	34		12	12		1	1
TOTAL	(26)	(1,296)	(1,322)	(253)	(293)	(546)	(293)	(44)	(337)

NOTES TO THE BALANCE SHEET

ASSETS

13. Goodwill

The changes in goodwill are as follows:

(€ thousands)	30.06.2005 Net val.	30.06.2004 Net val.	31.12.2004 Net val.
River barges			
Eurobulk Transportmaatschappij BV	221	221	221
CS de Jonge BV	91	91	91
Interfeeder-Ducotra BV	1,968	1,968	1,968
Touax Rom SA	4	4	4
Touax Leasing Corp	0	65	59
Modular buildings			
Siko Containerhandel Gmbh	288	288	288
Workspace Plus	16	16	14
TOTAL	2,587	2,652	2,644

In the first half of 2005, the decrease in the goodwill in respect of Touax Leasing Corp is due to the sale of barges operating in the United States.

14. Tangible fixed assets

14.1. Breakdown by type

	30.06.2005				30.06.2004	31.12.2004
(€ thousands)	Gross val.	Dep.	Capital gain	Net val.	Net val	Net val.
Land	2,428		(188)	2,240	2,427	2,212
Buildings	1,981	(729)	(1)	1,251	1,155	1,276
Equipment	102,010	(30,198)	(985)	70,827	76,379	68,693
Other tangible fixed assets	4,947	(3,392)		1,555	830	773
Tangible fixed assets under construction	379			379	1,480	1,092
TOTAL	111,745	(34,319)	(1,174)	76,252	82,271	74,046

14.2. Changes in gross values by type

(€ thousands)	01.01.2005	Additions	Disposals	Translation difference	Sundry items	30.06.2005
Land	2,400			28		2,428
Buildings	1,950	4	(9)	35		1,980
Equipment	101,399	12,087	(14,013)	2,839	(302)	102,010
Other tangible fixed assets	3,967	901	(376)	161	294	4,947
Fixed assets under construction	1,092	(644)			(68)	380
TOTAL	110,808	12,348	(14,398)	3,063	(76)	111,745

15. Long-term financial assets

	30.06.2005			30.06.2004	31.12.2004
(€ thousands)	Gross val.	Prov.	Net val.	Net val.	Net val.
Shipping containers	7,437	(643)	6,794	8,108	6,649
Modular buildings	3,345		3,345	3,618	3,694
River barges	132		132	480	181
Railcars				108	
Sundry items	693	(258)	435	407	604
TOTAL	11,607	(901)	10,706	12,721	11,128

The financial assets are analyzed by business segment as follows:

Shipping containers: loans, collateral deposits and other financial fixed assets associated with trusts (cf. § 27.7, § 27.8).

Modular buildings: the financial fixed assets comprise deposit accounts and advances granted to GIE Modul Finance I for €2.778 million (cf. § 27.5).

The sundry financial fixed assets include €337,000 in respect of an amount withheld to secure borrowings from Groupement des Industries du Transport et du Tourisme (GITT), such amount having been written down by 83%. The balance comprises sundry deposits.

The long-term financial assets are discounted at the rate applying to Government bonds. As at 1 January 2005 (first-time application of IAS 39), this discounting resulted in a decrease of €1,366,000 compared to the historical cost.

16. Other non-current assets

(€ thousands)	30.06.2005 Gross val.	Prov.	Net val.	30.06.2004 Net val.	31.12.2004 Net val.
Deferred commissions	1,105		1,105	1,013	1,116
TOTAL	1,105	0	1,105	1,013	1,116

17. Stocks and work in progress

Stocks and work in progress comprise equipment for sale and spare parts:

(€ thousands)	30.06.2005 Gross val.	Prov.	Net val.	30.06.2004 Net val.	31.12.2004 Net val.
Equipment	23,356		23,356	914	12,152
Spare parts	1,193		1,193	1,657	880
TOTAL	24,550	0	24,550	2,571	13,033

18. Trade debtors

Movements in trade debtors were as follows:

(€ thousands)	30.06.2005 Gross val.	Prov.	Net val.	30.06.2004 Net val.	31.12.2004 Net val.
Trade debtors	29,509	(3,456)	26,053	28,823	28,094
TOTAL	29,509	(3,456)	26,053	28,823	28,094

The breakdown of trade debtors by business segment was as follows:

	30.06.2005			30.06.2004			31.12.2004		
(€ thousands)	Gross val.	Prov.	Net val.	Gross val.	Prov.	Net val.	Gross val.	Prov.	Net val.
Shipping containers	12,193	(2,211)	9,982	19,914	(3,978)	15,936	14,371	(1,936)	12,435
Modular buildings	9,538	(657)	8,882	7,884	(540)	7,344	8,714	(573)	8,141
River barges	6,844	(589)	6,256	5,228	(536)	4,692	6,411	(566)	5,845
Railcars	925		925	830		830	1,666		1,666
Sundry	8		8	21		21	7		7
TOTAL	29,509	(3,456)	26,053	33,877	(5,054)	28,823	31,169	(3,075)	28,094

19. Other current assets

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Disposals of fixed assets	508	3,136	936
Prepaid expenses	1,215	1,244	1,197
Taxes & duties	8,170	2,841	6,967
Others	3,546	2,231	4,992
TOTAL	13,439	9,452	14,092

The position relating to taxes and duties relates essentially to VAT on acquisitions of goods at the end of the period.

20. Cash and cash equivalents

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Investments of less than three months	75	76	1,054
Current bank accounts	30,381	25,690	31,100
TOTAL	30,456	25,766	32,154

21. Shareholders' equity

Shareholders' equity is detailed in the table of changes in shareholders' equity.

21.1. Stock options and stock purchase warrants for certain employees

➢ **Stock options granted by TOUAX SCA**

	2000 Stock Option plan	2002 Stock Option plan
Date of shareholder meeting	06.06.2000	24.06.2002
Date of board meeting	06.06.2000	31.07.2002
Number of options orginally granted	16,200	11,001
– of which to members of the management committee	2,400	2,500
Number of beneficiaries	15	13
– of which members of the management committee	1	2
Date of allocation	06.06.2000	31.07.2002
Start date of exercise period	05.06.2005	30.07.2006
Expiry date	06.06.2008	30.07.2010
Exercise price (1)	26.50 €	14,34 €
Options exercised since allocation	0	0
– by members of the management committee	0	0
Number of members of the management committee having exercised options in	0	0
Options lapsed since allocation	3,750	0
Number of options still to be exercised as at 30.06.05	12,450	11,001
– of which to members of the management committee	2,400	2,500

No stock options had been granted or exercised by officers of the company or any other person up to 30 June 2005. The number of options in the 2002 plan granted to the ten largest beneficiaries was 7,200.

➢ **Stock purchase warrants granted by TOUAX SCA**

	2000 warrants plan	2003 warrants plan
Date of board meeting	07.04.2000	31.03.2003
Date of shareholder meeting	06.06.2000	16.09.2002
Number of options originally granted	13,500	11,001
- of which to company officers	13,500	11,001
Potential increase in share capital	108,000	88,008
Number of beneficiaries	2	3
- of which company officers	2	3
Start date of exercise period	06.06.2000	31.03.2003
Expiry date	05.06.2005	31.03.2006
Issue price	2.66 €	0.17 €
Exercise price	27.90 €	12 €
Warrants issued	13,500	11,001
Warrants lapsed as at 30.06.2005	13,500	0
Nunber of warrants still to be exercised as at 30.06.2005	0	11,001
- of which company officers	0	11,001

The Extraordinary General Meeting of 16 September 2002 authorized the Board of Directors to issue 11,001 stock purchase warrants. The board meeting of 31 March 2003 set the terms of this new issue. The stock purchase warrants are granted to officers of the company (Fabrice Walewski: 3,667 warrants; Raphaël Walewski: 3,667 warrants: Alexandre Walewski: 3,667 warrants). The issue price is calculated according to the Black & Scholes model. The exercise price is equal to the lowest average of the market prices of the share recorded over ten consecutive days chosen from the twenty trading days preceding the board meeting, plus 15%.

No warrant has been utilized up to 30 June 2005.

The Group has made use of the transitional measures authorized by IFRS 2 "Share-based payment" not to value and include in the balance sheet option schemes granted before 7 November 2002. The 2003 plan, involving 11,001 stock purchase warrants has a negligible impact on the Group's financial statements.

22. Financial liabilities

The non-current and current financial liabilities relate to "borrowings and financial debts" and "borrowings and current bank facilities".

22.1. Analysis by category of financial liabilities

	30.06.2005			30.06.2004			Total
(€ thousands)	Non-current	Current	Total	Non-current	Current	Total	difference
Medium-term borrowings	8,228	8,691	16,919	9,946	8,223	18,169	(1,251)
Leasing commitments	16,443	5,097	21,540	24,000	6,524	30,524	(8,984)
Renewable loans	11,937	14,556	26,493	11,997	9,911	21,908	4,585
Bank overdrafts		3,424	3,424		3,974	3,974	(550)
Financial instruments (interest rate swaps)		203	203				203
Total financial liabilities	**36,608**	**31,971**	**68,579**	**45,943**	**28,633**	**74,576**	**(5,996)**

	3.12.2004		
(€ thousands)	Non-current	Current	Total
Medium-term borrowings	9,560	8,572	18,132
Leasing commitments	18,757	5,944	24,701
Renewable loans	14,074	12,742	26,816
Bank overdrafts		3,013	3,013
Total financial liabilities	**42,391**	**30,271**	**72,662**

22.2. Analysis by maturity of repayments of medium-term borrowings and leasing commitments as at 30 June 2005

(€ thousands)	Medium-term borrowings	Leasing commitments	Renewable loans	Total as at 30.06.2005
12.2006	919	2,372	7,125	10,416
12.2007	1,845	3,652	4,750	10,247
12.2008	2,061	3,263	62	5,386
12.2009	1,443	2,795		4,238
Over 5 years	1,960	4,361		6,321
TOTAL	**8,228**	**16,443**	**11,937**	**36,608**

Covenants have been introduced for certain medium-term bank loans. These relate to €14.5 million of debt as at 30 June 2005. They enable the lenders to demand early repayment if they are breached. In order to fulfill these covenants, the borrower must comply with ratios such as shareholders' equity divided by the balance sheet total and consolidated net debt divided by consolidated net worth. As at 30 June 2005, all such clauses were complied with.

22.3. Movements in debt

Consolidated net financial debt

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Financial liabilities	68,579	74,576	72,662
Investment and other securities	76	76	1,084
Cash	30,381	25,690	31,070
Consolidated net financial debt	**38,123**	**48,810**	**40,508**

23. Other long-term liabilities

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Initial commissions			
Leasco 1	2,874	3,099	2,765
Leasco 2	2,162	2,468	2,202
Shipping containers	5,036	5,567	4,967
Modular buildings (GIE Modul Finance I)	2,778	3,178	3,188
TOTAL	**7,814**	**8,745**	**8,155**

The long-term liabilities are discounted.

24. Trade creditors

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Shipping containers	31,267	18,746	20,842
Modular buildings	6,351	5,142	7,145
River barges	3,683	3,065	3,601
Railcars	1,194	470	3,543
Sundry	505	999	645
Total	**43,000**	**28,422**	**35,776**

The trade creditors in the Shipping containers business are associated with deliveries of containers at the end of the quarter, for which the corresponding entry is in stocks.

25. Other liabilities

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Amounts owed in respect of fixed assets	2,948	494	730
Tax and social security	7,779	3,989	6,704
Operating liabilities	17,332	14,101	14,555
Other liabilities	1,906	862	209
Sub-total	29,965	19,446	22,198
Deferred income	1,246	1,205	5,652
Total	**31,211**	**20,651**	**27,850**

Operating liabilities include revenues due to investors in the shipping containers & modular buildings businesses (€13.460m as at 30 June 2005, €9.370m as at 30 June 2004, €8.273m as at 31 December 2004).

26. Deferred tax

30 June 2005 *(€ thousands)*	Deferred tax assets	Deferred tax liabilities	Assets	Liabilities
TOUAX CORP Group	14,423	(12,029)	2,394	
Others	24			24
Europe	3,540	(4,172)	248	(881)
	17,987	**(16,201)**	**2,642**	**(857)**
TOTAL Assets/Liabilities	**1,786**		**1,785**	

(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Deferred tax assets	2,642	3,247	3,248
Deferred tax liabilities	(857)	(589)	(729)

27. Liabilities and risks

27.1. Related parties

The Group has not entered into any transactions with related parties.

27.2. Liabilities and risks

The following statements do not omit any significant off balance sheet liability in accordance with the accounting principles in force.

27.2.1. Non-capitalized simple lease contracts

(€ thousands)	Total	< 1 year	1 to 5 yrs	> 5 yrs
Simple leases with recourse	6,300	1,206	4,702	392
Simple leases without recourse against the Group	25,709	2,224	15,921	7,564
TOTAL	**32,009**	**3,430**	**20,623**	**7,956**

Future rents payable in respect of irrevocable simple lease contracts as at 30 June 2005 are detailed in the following paragraphs.

- **Simple lease contracts with recourse**

(€ thousands)	River barges	Total as at 30.06.2005	Residual value
2005	1,206	1,206	
2006	1,175	1,175	
2007	1,176	1,176	
2008	1,175	1,175	
2009	1,176	1,176	
After 2009	392	392	1,141
TOTAL	**6,300**	**6,300**	**1,141**
Amounts paid during the period	**553**	**553**	

➢ Simple lease contracts without recourse against the Group

(€ thousands)	Shipping containers	Modular buildings	Railcars	Total as at 30.06.2005	Residual value
2005	1,568	13	644	2,225	
2006	3,137	9	1,287	4,433	3
2007	3,136		1,287	4,423	
2008	3,137		1,287	4,424	
2009	1,353		1,287	2,640	
After 2009	3,595		3,969	7,564	1,134
TOTAL	**15,926**	**22**	**9,761**	**25,709**	**1,137**
Amount paid during the period	1,578	12	644	2,234	

Without recourse against the Group: the obligation upon the Group to pay rents to financial establishments is suspended if sub-lessee customers do not comply with their own contractual payment obligations.

27.2.2. Other liabilities

(€ thousands)	Total	< 1 yr	1 to 5 yrs	> 5 yrs
Letters of credit	377			377
Guarantees	7,347			7,347
Other commercial liabilities	21,853	21,853		
TOTAL	**29,577**	**21,853**	**0**	**7,724**

Letters of credit and guarantees are stated in the balance sheet.

➢ Confirmed orders for equipment

Confirmed orders and investments as at 17 October 2005 amount to €25 million, including €0.9 million in respect of shipping containers, €5.8 million in respect of modular buildings, €9.8 million in respect of river barges and €8.5 million in respect of railcars.

27.2.3. Outstanding events and disputes

In several countries in which TOUAX SA and its subsidiaries operate, the tax returns for financial periods that have not lapsed may be inspected by the competent authorities.

For each subsidiary of the Group, a quarterly meeting is organized in the form of a board of directors or an executive committee. This meeting brings together the management of the Group, the management of the business and the operational and financial managers of the subsidiaries. This meeting provides an opportunity for a detailed review of the subsidiaries' operations, in particular the monitoring of outstanding events and disputes.

The Managers consider that there is currently no government, legal or arbitration procedure, including any procedure of which the company is aware, which is in abeyance or with which it is threatened, that is liable to have or has had over the last 12 months a significant impact on the financial situation or profitability of the company and/or the Group.

27.2.4. Hedging of interest rate and foreign exchange risks

In the first half of 2005, TOUAX SCA and its subsidiaries made no use of financial instruments to hedge foreign exchange risks. The Group considers that the foreign exchange risks generated by its operating activities are low. The operating activities are organized in such a way that the assets and liabilities, revenues and expenses of a specific business are denominated in the same currency. The euro-denominated loan financing assets in dollars, which had been covered by operating income in 2003, shows a residual capital which makes exchange rate fluctuations insignificant at Group level.

The interest rate hedging products implemented in 2003 continued to be effective in the first half of 2005. Taking this hedging into account, the fixed-rate debt represents 38% of the total indebtedness and variable rate debt 62%. This breakdown may be modified again on the decision of the Management of the Group if justified by monetary events. Interest rate swaps are mentioned in 2.17.5.

27.2.5. Collateral provided

As collateral for the facilities granted to finance wholly owned Group assets (excluding leases) or managed assets, TOUAX SCA and its subsidiaries have provided the following collateral (in thousands of euros):

			AS AT 30 JUNE 2005			2004
(€ thousands)	Year of oprigin	Maturity	Pledged assets	Total of balance sheet item	%	
Mortgages (river barges)			12,567	30,943	40.61%	12,567
	1997	2008	1,408			
	1998	2003	1,622			
	1999	2009	2,313			
	2002	2009	1,197			
	2002	2012	1,059			
	2003	2008	635			
	2003	2013	4,333			
Real estate mortgages	1996	2004	785	4,409	17.8%	685
Pledging of tangible assets			5,657	75,068	7.5%	6,013
Modular buildings			2,880			
	2001	2007	2,880			
Shipping containers	2004	2012	1,365			
	2004	2006	1,412			
Pledging of financial assets (deposits lodged as collateral)			7,723	11,653	66.3%	8,166
Modular buildings						
	1997	2010	1,390			
Shipping containers						
	1998	2009	3,794			
	2001	2012	2,539			
TOTAL			**26,732**	**122,073**	**21.9%**	**27,431**

The release of collateral (mortgages, pledges and other security) is subject to the repayment of the financial facilities granted. No other particular conditions apply.

27.2.6. Guarantees

Guarantees are provided by the parent company in respect of bank facilities utilized by the subsidiaries.

27.3. Additional information relating to leasing (capitalized)

(€ thousands)	Land	Leased equipment	Total as at 30.06.2005
ORIGINAL VALUE	1,979	36,346	38,325
Depreciation charge for the period		744	744
ACCUMULATED DEPRECIATION		7,307	7,307

	Charges remaining payable			
(€ thousands)	Land	Leasing equipment	Total as at 30.06.2005	Residual value
2005	132	2,864	2,996	155
2006	263	3,403	3,666	342
2007	87	2,412	2,499	112
2008	87	2,046	2,133	20
2009	87	1,672	1,759	78
Over 5 years	87	3,796	3,883	881
TOTAL	**743**	**16,193**	**16,936**	**1,588**
AMOUNT PAID DURING THE PERIOD (depreciation & financial expenses)	29	1,470	1,499	

27.4. Policy on personnel profit-sharing

The company does not publish a social report.

There is no personnel profit-sharing scheme. However, certain categories of personnel (executives, sales personnel) receive individually set annual performance-related bonuses or stock options.

27.5. Additional information on GIE Modul Finance I

In December 1997 and over the 1998 financial year the TOUAX Group carried out an asset-backed securitization in which it assigned 7,869 modular buildings worth €42 million to a French economic interest grouping named GIE Modul Finance I, of which 10% was owned by the Group and 90% by investors.

The GIE Modul Finance I investment was financed as follows:

- by issuing redeemable subordinated securities with a total value of €10.5m, 90% of which were underwritten by an institutional investor and 10% by TOUAX SCA,
- by contracting a senior loan of €32.6m, repayable over 10 years, remunerated at 3-month Euribor +1.8%.

Under an operational management contract, the GIE entrusted to the Group the management, leasing and, more generally, the operation of the modular buildings. It is therefore the responsibility of the Group, in its capacity as broker-agent, to collect rental income from customers, to pay operating expenses directly to suppliers and to organize payment of the distributable net rental income, 90 days after the end of each quarter, to GIE Modul Finance I as the principal.

In 1999, GIE Modul Finance I renegotiated its debt in order to benefit from improved financial conditions. The operational management contract with the Group was renewed for a period of 13 years and 6 months. The new commitments entered into by GIE Modul Finance I were as follows:

- issue of redeemable subordinated securities with a value of €4.5 million, entirely underwritten by an institutional investor,
- contracting a senior loan of €28.2 million, repayable over 10.75 years, with a residual value of €9.1 million. This senior debt bears interest at 3-month EURIBOR + 1.475%. The senior rate guarantee signed by GIE Modul Finance I and financed from the senior loan sets the maximum rate of the senior debt at 5%.
- contracting a junior loan of €8.9 million, repayable over 11.75 years, with a residual value of €2.28 million. This junior debt bears interest at 3-month EURIBOR + 2.425%. The junior rate guarantee signed by GIE Modul Finance I and financed from the junior loan sets the maximum rate of the junior debt at 5%.
- opening of a deposit account of €0.8 million endowed by TOUAX SCA.

The Group does not have control over GIE within the meaning of CRC regulation 99-02 and the law no. 2003-706 of 1 August 2003 on financial security. Consequently it is not part of the scope of consolidation.

Senior and junior debt redemption schedules (€ thousands)

Dates	Annual redemption of the principal of the SENIOR DEBT	Annual redemption of the principal of the JUNIOR DEBT
2005	896	285
2006	1,897	602
2007	2,020	647
2008	2,151	695
2009	2,290	746
2010		802

With effect from 1 January 2008 until the expiration of the contract on 31 December 2012, the Group will sell the modules at best on the secondhand market in accordance with the marketing authorization that it has signed with GIE Modul Finance I.

The proceeds from the sale of equipment will be used to:

- pay the residual value of the senior debt as at 31 December 2009: €9.023 million.
- pay the residual value of the junior debt as at 31 December 2010: €2.286 million.
- pay holders of redeemable subordinated securities, in the final year of the contract, a cash flow in addition to the payments received since 31 March 2001, up to a maximum annual actuarial yield of 10%. The surplus income from the disposal of the modular buildings will then be divided between the Group and the arrangers of the renegotiated debt in a proportion of 95% for the Group and 5% for the arrangers.

GIE Modul Finance I is authorized to terminate the management contract early in the event of failure to pay in full or in part an installment of the senior and junior debt redemption schedule due to inadequate distributable net rental income.

Should GIE Modul Finance I default, the lenders may decide to sell the equipment or change operators.

To avoid default on the part of the GIE, the Group has the right, but not the obligation, to advance to it the amounts required to cover the senior debt redemption schedule. These advances are repayable by the payment to the Group of the surplus resulting from the difference between distributable net rental income and the installments of the senior and junior debt over the subsequent quarters. This will become a priority when the distributable net rental income again exceeds the senior and junior debt redemption schedule.

The operation of modular buildings by GIE Modul Finance I has the following impact on the financial statements of the Group (€ thousands):

IN THE CONSOLIDATED INCOME STATEMENT			
(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Net leasing revenues from equipment belonging to the GIE	2,989	3,082	6,094
In consolidated revenues	2,989	3,082	6,094
Operating expenses on equipment belonging to the GIE	(1,196)	(1,233)	(2,438)
In purchases and other consolidated external expenses	(1,196)	(1,233)	(2,438)
Net leasing revenues distributable to the GIE	(1,182)	(1,220)	(2,417)
In consolidated leasing revenues due to investors	(1,182)	(1,220)	(2,417)
In consolidated OPERATING INCOME	611	629	1,239
Im consolidated PRETAX INCOME	611	629	1,239

The group has no liability in respect of the GIE other than the value of its assets as described under "in the balance sheet" below.

IN THE CONSOLIDATED BALANCE SHEET			
(€ thousands)	30.06.2005	30.06.2004	31.12.2004
Collateral deposit	1,390	2,274	1,931
Loan to the GIE	1,388	904	1,257
In consolidated financial fixed assets	2,778	3,178	3,188
Deferred payment	1,105	1,013	1,116
In consolidated operating receivables	1,105	1,013	1,116
In consolidated ASSETS	3,883	4,191	4,304
Net leasing revenues due to the GIE (4th quarter)	606	609	610
In consolidated operating liabilities	606	609	610
In consolidated LIABILITIES	606	609	610

27.6. Additional information on Trust TCLRT 95

The fleet of the Trust 95 was sold to another investor when the benefit of the revenues ceased from 1 April 2004, for $7.423 million. A termination agreement was signed setting out the management contract, between TOUAX SCA and the Trust, at the end of December 2004. The new owner entrusted the management of the former containers of Trust 95 to the TOUAX, Group via its subsidiary Gold Container Corp.

27.7. Additional information on Trust TCLRT 98

On 16 December 1998, the Group carried out a second asset-backed securitization operation relating to shipping containers, in the form of a Trust registered in Delaware in the United States, known as "TOUAX Container Lease Receivables Trust TCLRT 98".

This Trust was financed entirely by non-Group investors (Indenture Agreement) through the issue of senior debt (notes) and subordinated debt (certificates) to finance the purchase of shipping containers for a total value of $40.40 million. They are serviced (operated and managed) by the Group under a management contract (Sale and Servicing Agreement) for a minimum term of 10 years.

At the end of the contract, the Trust and the investors may either sell the containers or operate them for an additional two years. During these two years, the Group must find a buyer for the containers. Although it may submit an offer, it is only the Trust that can decide to accept or refuse the conditions.

As at 30 June 2005, the Trust's fleet comprised 14,450 containers (7,336 20' Dry Cargo – 5,454 40' Dry Cargo and 1,660 40' High Cube) representing an investment of $36.9 million, corresponding to 18,851 TEU in value terms.

Apart from the $5.54 million advanced by the Group, the Trust's balance sheet as at 30 June 2005 included senior debt (notes) of USD 25.3 million with a fixed interest rate of 5.94% excluding insurance, and subordinated debt (certificates) of $5.8 million bearing interest at 8.03%. The total amount is repayable over five years (possible extension of two years) by means of net revenues distributed by the Group to the Trust according to the conditions set out in the Master Lease Agreement and the Sales and Servicing Agreement. The Trust has also effected an insurance policy (Insurance and Reimbursement Agreement) to guarantee the payment of interest and principal payable on the senior debt by the Trust to its investors (the "note holders").

The Group's assets include a collateral deposit of $1.2 million and an advance against distribution of $0.54 million provided by GOLD CONTAINER Corp. as well as a liquidity reserve of $3.8m formed by TOUAX CONTAINER LEASING CORPORATION (Leasco 1), amounting to a combined total of $5.54 million. Leasco 1 also purchased 1,040 containers for an initial value of $2,834,745. These are leased on behalf of the Trust and have been given to the Trust as security.

Should the Trust fail to meet the redemption schedule for the debt, it shall be in default and may decide to sell the containers or change operators. The Group has no obligation either to buy back the equipment or to repay the debt. The Group does not have control of the Trust within the meaning of CRC regulation 99-02 and the law no. 2003-706 of 1 August 2003 on financial security. Consequently it is not part of the scope of consolidation.

Redemption schedule for the Trust's senior debt:

Date	Payment dates	Accumulated minimum redemption	Balance repayable (in thousands of dollars)
16.12.1998	Closing date		34,000
16.12.2001	4th anniversary	3,627	30,373
16.12.2004	6th anniversary	7,533	22,840
16.12.2006	8th anniversary	13,020	9,820
15.01.2009	Maturity date		8,500

The financial expenses must be settled by the Trust each quarter.

Redemption schedule of the Trust's junior debt:

Date	Échéances	Amortissement minimum cumulé	Solde à rembourser (en milliers de dollars)
16.12.1998	Date de closing		6 402
16.12.2001	4e anniversaire	521	5 881
16.12.2004	6e anniversaire	1 098	4 782
16.12.2006	8e anniversaire	1 929	2 853
15.01.2009	Date de maturité		2 706

Les frais financiers doivent être obligatoirement réglés par le Trust chaque trimestre.

The leasing of Trust containers by Gold Container has the following impact on the financial statements of the Group (€ thousands):

IN THE CONSOLIDATED INCOME STATEMENT *(€ thousands)*	30.06.2005	30.06.2004	31.12.2004
Leasing revenues from equipment belonging to Trust98	1,779	2,040	3,912
Initial commission (1)	0	0	0
In consolidated revenues	1,779	2,040	3,912
Operating expenses on equipment belonging to the Trust (2)	(277)	(565)	(612)
Trust formation expenses (3)	0	0	0
In purchases and other consolidated external expenses	(277)	(565)	(612)
Distributions to the Trust (4)	1,348	(1,319)	(2,967)
In consolidated leasing revenues due to investors	1,348	(1,319)	(2,967)
In consolisdated OPERATING INCOME	154	156	333
In consolidated pretax INCOME	154	156	333

The Group has no liability in respect of the Trust other than the value of its assets as described under "in the balance sheet" below.

IN THE CONSOLIDATED BALANCE SHEET *(€ thousands)*	30.06.2005	30.06.2004	31.12.2004
Collateral deposit (5)	4,114	4,112	3,670
Subordinated advance against distribution (6)	436	403	360
Advance for excess operating charges (7)	59	59	53
In consolidated financial fixed assets	4,609	4,574	4,083
Other operating receivables (8)	4	5	4
In consolidated ASSETS	4,613	4,579	4,087
Leasing revenues due to the Trust (9)	359	643	435
Total loss revenues due to the Trust	73	61	48
Revenues from sales of containers of the Trust (10)	2	80	20
In consolidated operating liabilities	434	784	503
In consolidated LIABILITIES	434	784	503

(1) The initial commission corresponds to a flat-rate fee that covers the marking, inspection and transportation of containers to their first rental location. The corresponding charge is recorded under operating expenses, general overheads and central services.

(2) Operating costs include storage, maintenance and repair expenses, remuneration paid to the network of agents and generally all operating expenses contractually offset against net revenues due to the Trust.

(3) The formation expenses cover remuneration of law firms, the network of brokers and others involved in setting up the operation.

(4) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to €154,000 in June 2005.

(5) The Group has issued a letter of credit in favor of the Trust in an amount of $1.2 million secured by a deposit lodged in a bank account. The investment income of these funds is earmarked for Gold Container Corp. The letter of credit in respect of the principal is due to be released when the Trust expires. Interest is payable quarterly. The group has also contributed a liquidity reserve to the Trust, in an amount of $3,766,000 made available in one of the Trust's bank accounts. This liquidity reserve enables the Trust to cover its payment obligations if distributable net income proves to be insufficient. This collateral must be reconstituted by the Trust when its available cash flow allows it to do so, after having met the payment dates provided for in the debt redemption schedule.

(6) An exceptional repayable advance of $490,000 was also granted by the group to the Trust in June 2001. The amount of the advances was adjusted in May 2005 by $37,200.

(7) The Group has undertaken to maintain operating costs below a specified reference threshold. If this threshold is exceeded, the Group must pay the difference to the Trust. These advances become repayable when the Trust's available cash flow allows it after the payment dates in the debt redemption schedule have been respected. These advances amounted to $73,000 as at 31 December 2004.

(8) The other operating receivables relate to the payments of legal expenses on behalf of the Trust.

(9) Leasing revenues correspond to the net revenues remaining payable to the Trust as at 31 December of each year. With effect from the first quarter of 2002, the Group is paying monthly down payments to the Trust against future distributions. This explains the decrease in net revenues due at the end of 2002.

(10) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received.

27.8. Additional information on Trust TLR 2001

On 27 October 1999, the Group carried out a third asset-backed securitization operation in relation to shipping containers, in the form of a Trust registered in Delaware in the United States, known as "TOUAX Lease Receivables Master Trust 2000-1" hereinafter referred to as "Trust 2000". During a preliminary period from 27 October 1999 to 31 December 2001 referred to as the "Warehouse period", Trust 2000 was wholly financed by a European bank which subscribed to an issue of notes and certificates to finance the purchase of shipping containers for a total value of $46.5 million.

Trust 2000 was closed in December 2001 due to the refinancing of the facilities granted by the bank which had subscribed to the initial issue of notes and certificates. This refinancing operation required the creation of a replacement trust, Trust 2001 (TLR Master Trust 2001), which acquired the assets of Trust 2000. In February 2002, the receivables and debts of the respective Trusts and of the Group were wound up.

As at 30 June 2005, the fleet belonging to the Trust comprised 20,026 containers (8,401 20' Dry Cargo – 5,560 40' Dry Cargo and 6,065 40' High Cube) representing an investment of $46.7 million, corresponding to $27,486 TEU by value, as well as 148 railcars of an original value of $8.9 million.

In addition to the $3.5 million advanced by the Group, the accounts of Trust 2001 included senior debt (notes) of $32.0 million and equity of $19.0 million as at the end of June 2005.

Trust 2001 and the Group have entered into lease contracts ("Railcar Master Lease" and "Container Master Lease") for a term of 10 years and 8 months. The Group distributes to Trust 2001 lease payments equivalent to distributable net revenue in accordance with the conditions contained in the "Master Lease Agreement".

Through Leasco 2, the Group purchased 1,733 containers ($4.2 million), which are leased on behalf of the Trust and have been given to the Trust as security (under a contract known as "Leased Container Master Lease").

Under certain conditions relating to the amount of the lease payments paid, the Trust may decide to sell the containers or change operators. The Group has an option to purchase at the end of the life of the lease contracts but has no obligation either to buy back the equipment or to repay the debt. The Group does not have control of the Trust within the meaning of CRC regulation 99-02 and the law no. 2003-706 of 1 August 2003 on financial security. Consequently it is not part of the scope of consolidation.

The leasing of Trust containers by Gold Container has the following impact on the financial statements of the Group (in thousands of euros):

In the consolidated INCOME STATEMENT *(€ thousands)*	30.06.2005	30.06.2004	31.12.2004
Leasing revenues from equipment belonging to Trust 01	2,562	2,977	5,721
Initial commission (1)	0	0	0
In consolidated revenues	2,562	2,977	5,721
Operating expenses of equipment belonging to the Trust (2)	(265)	(487)	(634)
In purchases and other consolidated external expenses	(265)	(487)	(634)
Distributions to the Trust (4)	(2,015)	(2,227)	(4,573)
In consolidated leasing revenues due to investors	(2,015)	(2,227)	(4,573)
In consolidated OPERATING INCOME	282	263	514
In consolidated pretax INCOME	282	263	514

The Group has no liability in respect of the Trust other than the value of its assets as described under "in the balance sheet" below.

In the consolidated BALANCE SHEET *(in € thousands)*	30.06.2005	30.06.2004	31.12.2004
Liquidity reserves (4)	2,967	2,937	2,614
Equity securities			0
Other Trust 2001 receivables (5)	0	0	0
In financial fixed assets	2,967	2,937	2,614
Other operating receivables (6)	4	4	4
In consolidated ASSETS	2,971	2,941	2,618
Leasing revenues due to the Trust (6)	442	445	185
Total loss revenues due to the trust	48	41	43
Revenues from sales of containers (7)		9	
Other Trust 2000 liabilities (5)			
In consolidated operating liabilities	490	495	228
In consolidated LIABILITIES	490	495	228

(1) The commission corresponds to a flat-rate fee that covers the marking, inspection and transportation of containers to their first rental location. The corresponding charge is recorded under operating expenses, general overheads and central services.

(2) Operating expenses include storage and maintenance expenses, remuneration paid to the network of agents and generally all operating expenses contractually offset against net revenues due to the Trust.

(3) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Container Corp's service fee, which amounted to €282,000 as at the end of June 2005.

(4) After the creation of Trust 2001, the collateral deposits set up on behalf of Trust 2000 were released in 2002. The collateral deposits set up for Trust 2001 total $3.56 million. This item also includes the letter of credit in an amount of $520,000 issued by TOUAX SCA in favor of Trust 2001, secured by a deposit lodged in a bank account, repayable at the end of the Trust's life.

(5) After Trust 2001 was wound up, its receivables and liabilities with respect to Trust 2000 were settled in full in February 2002.

(6) The other operating receivables relate to the payments of legal expenses on behalf of the Trust.

(7) Leasing revenues correspond to the net revenues remaining payable to the Trust as at the end of each half-year. With effect from the first quarter of 2002, the Group is paying monthly down payments to the Trust against future distributions. This explains the decrease in net revenues due at the end of 2002.

(8) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received.

27.9. Investment policy

The Group's activities involve the operational leasing of mobile and standardized equipment, shipping containers, modular buildings, river barges and railcars.

Investments in this equipment must be made in order to lease it. The Group also carries out complementary activities, namely management for third-party investors. Three-quarters of assets under group management are financed by investors and entrusted to the Group for management under management contracts. The Group's growth policy is based on attracting private investors to finance the Group's management programs, and on investment of its own assets in leasing equipment.

The Group's investment policy involves financing assets which it owns in order to attain a debt-to-equity ratio of 1 to 1. The Group also finances assets intended to be sold to investors within a framework of a 2-to-1 debt-to-equity ratio. The assets earmarked for sale are entirely financed by debt. In summary, the Group's investment policy is to limit the debt-to-equity ratio to 2 to 1 to finance assets on its balance sheet, part of which it intends to sell.

The sale of assets to investors forms part of the Group's strategy and enables growth to be financed without recourse to debt. The Group's growth allows economies of scale and hence increased margins.

The Group does not use tools to finance its current assets, such as Daily assignment, factoring, securitization or assignment of receivables, etc.

Lease contracts are classified as finance lease contracts if the group benefits from the advantages and risks inherent in ownership. For example, the existence of an automatic ownership transfer clause, the existence of a purchase option at a value well below market value, equivalence between the term of the lease and the life of the asset or between the discounted value of future payments in respect of the lease and the value of the asset are factors which generally lead to lease contracts being considered as finance lease contracts.

Net investments in each period *(€ thousands)*	**06.2005**	**06.2004**	**2004**
Net intangible investments	38	38	28
Net tangible investments	(2,050)	(3,142)	(12,285)
Net financial investments	293	108	(576)
Total net investments	**(1,719)**	**(2,996)**	**(12,833)**

Breakdown of net investments by business segment *(€ thousands)*	**06.2005**	**06.2004**	**2004**
Shipping containers	(943)	(22)	(530)
Modular buildings	(145)	(1,912)	(11,638)
River barges	(1,069)	(682)	(1,037)
Railcars	0	(526)	319
Sundry	438	146	53
Total	**(1,719)**	**(2,996)**	**(12,833)**

Methods of financing net investments *(€ thousands)*	**06.2005**	**06.2004**	**2004**
Cash / borrowings	1,709	7,790	2,314
Leasing	223		(250)
Management contract with third-party investors	(3,651)	(10,786)	(14,897)
Total	**(1,719)**	**(2,996)**	**(12,833)**

Confirmed orders and investments as at 17 October 2005 are detailed in §27.2.2.

28. Reconciliation of the information published under French GAAP and IFRS data: balance sheet and shareholders' equity as at 30 June 2004, income statement as at 30 June 2004, cash flow statements as at 30 June 2004 and 31 December 2004

28.1. Preamble

The IFRS principles applied in preparing the comparative IFRS information for 2004 and the differences as compared to the French GAAP used in preparing the 2004 published financial statements have been described in the memorandum entitled "Impact of International Accounting Standards" included in the reference document of the Group filed on 3 June 2005 under the number D 05-820. Detailed reconciliation information has been provided in this memorandum to explain the impacts of the transition to IFRS on the opening balance sheet as at 1 January 2004, the balance sheet as at 31 December 2004 and the income statement for the 2004 financial year. For this reason, the information provided below only includes the impacts of IFRS on the financial statements as at 30 June 2004 which enable the data previously published under French GAAP to be reconciled with the comparative data presented with regard to the half-year IFRS financial statements as at 30 June 2005. Comments are only made on the most significant impacts. Additional information on the principles applied can be found in the aforementioned memorandum and in chapter 2 of the Accounting Principles.

28.2. Transition table for the balance sheet as at 30 June 2004

The transition table for the balance sheet as at 30 June 2004 is presented below.

Note n°	*(€ thousands)*	Published consolidated balance sheet under French GAAP as at 30/06/04	Consolidated balance sheet under French GAAP 30/06/04 - IFRS presentation of current/ non-current items	Other reclassifications	IFRS adjustments having an impact on shareholders' equity	Consolidated IFRS balance sheet as at 30/06/04
	ASSETS					
	Goodwill	2,519	2,519	0	133	2,652
	Other net intangible fixed assets	305	305	0	(234)	71
1	Net tangible fixed assets	84,025	84,025	(144)	(1,610)	82,271
	Financial fixed assets	12,011	0	0	0	0
	Long-term financial assets		12,952	(109)	(122)	12,721
	Other non-current assets		1,013	0	0	1,013
	Deferred tax assets		3,247	0		3,247
	Total fixed assets under reg. n°99-02					
	Total non-current assets under IFRS	**98,860**	**104,061**	**(253)**	**(1,833)**	**101,975**
	Stocks and work in progress	2,571	2,571	0	0	2,571
	Trade debtors	28,823	28,823	0	0	28,823
	Other receivables	17,501	0	0	0	0
2	Other current assets		12,300	(78)	(2,770)	9,452
	Cash and investment securities	25,791	25,791	0	(25)	25,766
	Total current assets under reg. n°99-02					
	Total current assets under IFRS	**74,686**	**69,485**	**(78)**	**(2,795)**	**66,612**
	Assets intended for sale	0	0	0	0	0
	TOTAL ASSETS	**173,546**	**173,546**	**(331)**	**(4,628)**	**168,587**
	LIABILITIES					
	Share capital	22,705	22,705	0		22,705
	Consolidated reserves	23,599	23,599	0	(13,100)	10,499
	Attributable income for the period	1,787	1,787	0	(295)	1,492
	Attributable shareholders' equity	**48,091**	**48,091**	**0**	**(13,395)**	**34,696**
	Minority interests	511	511	0	(40)	471
	Total shareholders' equity	**48,602**	**48,602**	**0**	**(13,435)**	**35,167**
	Borrowings and financial liabilities	74,576	45,943	0	0	45,943
	Deferred tax liabilities		589	0	0	589
	Retirement and similar benefits		77	0	62	139
3	Other long-term liabilities		253	(253)	8,745	8,745
	Total non-current liabilities	**N/A**	**46,862**	**(253)**	**8,807**	**55,416**
	Provisions for liabilities and charges	706	376	(78)	0	298
	Borrowings and current bank facilities	0	28,633	0	0	28,633
	Trade creditors	28,422	28,422	0	0	28,422
	Other liabilities	21,240	20,651	0	0	20,651
	Total current liabilities	**N/A**	**78,082**	**(78)**	**0**	**78,004**
	Liabilities intended for sale	0	0	0	0	0
	TOTAL LIABILITIES	**173,546**	**173,546**	**(331)**	**(4,628)**	**168,587**

The main IFRS adjustments differ little in terms of balances from the adjustments presented in detail in the transition table for the opening balance sheet under IFRS as at 1 January 2004 (cf. the memorandum entitled "Impact of International Accounting Standards" included in the reference document filed on 3 June 2005 and the associated notes on the opening balance sheet), since the IFRS adjustments made to the result for the first half of 2004 are of limited impact (cf. § 28.4 Transition tables for the income statement from 1 January to 30 June 2004).

The main adjustments in the balance sheet as at 30 June 2004 which have an impact on shareholders' equity as at 30 June 2004 (cf. § 28.3 Shareholders' equity reconciliation table as at 30 June 2004) are described below:

The net value of tangible fixed assets decreases from €84,025,000 (French GAAP) to €82,271,000 (IFRS). This is due to the application of the component-based approach under IAS 16 (particularly in the river barges business), the reduction in the depreciation schedules for secondhand barges following a detailed re-examination of the service lives and the carrying out of impairment tests in accordance with IAS 36 "Impairment of assets". In addition, certain expenses for repairs and maintenance carried out in the "Modular buildings" business, which were capitalized under French GAAP, have been deemed not to fulfill the criteria for capitalization under IAS 16.

The impact of the adjustments on tangible fixed assets is described in note 1 of § 28.5.

Almost all of the charges to be spread over several periods stated under fixed assets which were capitalized under French standards are reversed under IFRS. The impact is the decrease in hand assets of 2770 in the balance sheet as at 30 June 2004 under IFRS (cf. § 28.5 - note 2).

Deferred income is stated in non-current liabilities (€8,745,000 as at 30 June 2004) in respect of the part of initial commissions used to form collateral deposits and liquidity reserves on the formation of trusts TCLRT 98, TLR 2001 and GIE Modul Finance I (cf. § **2.15** of the Accounting principles and § 28.5 - note 3).

28.3. Transition table for shareholders' equity from 1 January to 30 June 2004

		ATTRIBUTABLE SHAREHOLDERS' EQUITY						MINORITIES' SHARE	TOTAL CONSOLIDATED GROUP
Note n°	*(€ thousands)*	01.01.2004	Income as at 30.06.2004	Distribution of dividends	Translation differences	Others	30.06.2004	30.06.2004	30.06.2004
	Shareholders' equity under French GAAP	**46,034**	**1,787**	**(717)**	**1,118**	**(131)**	**48,091**	**511**	**48,602**
1	*Tangible fixed assets* Application of the component-based approach and modification of depreciation schedules for certain fixed assets, impairment	(1,412)	(192)	0	(6)	0	(1,610)		(1,610)
2	Intangible fixed assets and charges to be spread over several periods Reversal of charges to be spread over several periods in respect of certain intangible fixed assets	(2,469)	(227)	0	(74)	0	(2,770)		(2,770)
3	*Revenue* Reversal of revenues recognised under French GAAP (initial commissions not meeting all recognition criteria)	(8,527)	(9)	0	(209)	0	(8,745)		(8,745)
	Retirment benefits	(62)	0	0	0	0	(62)		(62)
	Own shares Reclassification as deduction from shareholders' equity	(36)	0	0	0	11	(25)		(25)
	Others	(316)	0	0	0	0	(316)	(40)	(356)
	Total IAS/IFRS adjustments before tax	**(12,822)**	**(428)**	**0**	**(289)**	**11**	**(13,528)**	**(40)**	**(13,568)**
	Effect of deferred tax on IFRS adjustments	0	0	0	0	0	0	0	0
	Goodwill Cancellation of amortization charges	0	133	0	0	0	133	0	133
	Shareholders' equity under IFRS	**33,212**	**1,492**	**(717)**	**829**	**(120)**	**34,696**	**471**	**35,167**

28.4. Transition table for the income statement from 1 January to 30 June 2004

The transition table for the income statement by type as at 30 June 2004 is as follows:

(€ thousands)	French GAAP	Reclassifications	IFRS adjustments	Total adjustments	IFRS
Revenues	**86,807**	**0**	**0**	**0**	**86,807**
Capital gains on disposals	N/A	1,999	0	1,999	1,999
Revenue from activities	N/A	**1,999**	**0**	**1,999**	**88,806**
Purchases and other external expenses	(58,296)	0	(602)	(602)	(58,898)
Personnel costs	(5,445)	0	0	0	(5,445)
Other operating income and expenses	2,406	(1,999)	0	(1,999)	407
Gross operating profit	**25,472**	**0**	**(602)**	**(602)**	**24,870**
Net transfer to operating provisions	(688)	0	0	0	(688)
Ebitda	**24,784**	**0**	**(602)**	**(602)**	**24,182**
Depreciation, amortization and provisions	(3,683)	0	176	176	(3,507)
Operating income	**21,101**	**0**	**(426)**	**(426)**	**20,675**
Net distribution to investors	(16,512)	0	0	0	(16,512)
Operating income after distribution to investors	**4,589**	**0**	**(426)**	**(426)**	**4,163**
Financial income	735	0	(8)	(8)	727
Financial expenses	(3,073)	0	6	6	(3,067)
Financial result	**(2,338)**	**0**	**(2)**	**(2)**	**(2,340)**
Current income before tax	**2,251**	**0**	**(428)**	**(428)**	**1,823**
Corporation tax	(546)	0		0	(546)
Net income of consolidated companies	**1,705**	**0**	**(428)**	**(428)**	**1,277**
Amortization of goodwill	(133)	0	133	133	0
Result of discontinued activities	0	0	0	0	0
Total consolidated net income	**1,572**	**0**	**(295)**	**(295)**	**1,277**
Minority interests	215	0	0	0	215
Consolidated net attributable income	**1,787**	**0**	**(295)**	**(295)**	**1,492**

The transition table for the analytical income statement as at 30 June 2004 is as follows:

(€ thousands)	French GAAP	Reclassifications	IFRS adjustments	Total adjustments	IFRS
Leasing revenues	51,494	742	0	742	52,236
Sales of equipment	34,531	0	0	0	34,531
Commissions	40	0	0	0	40
Managed equipment program distributions	742	(742)	0	(742)	0
Total revenues	**86,807**	**0**	**0**	**0**	**86,807**
Capital gains on disposals	N/A	1,999	0	1,999	1,999
Revenue from activities	N/A	**1,999**	**0**	**1,999**	**1,999**
Cost of sales	(31,778)	0	0	0	(31,778)
Operating expenses of activities	(26,150)	0	(602)	(602)	(26,752)
Selling, general and administrative expenses	(4,473)	0	0	0	(4,473)
Capital gains on disposals	1,999	(1,999)	0	(1,999)	0
Overheads	(1,621)	0	0	0	(1,621)
EBIDA	**24,784**	**0**	**(602)**	**(602)**	**24,182**
Depreciation, amortization and provisions	(3,683)	0	176	176	(3,507)
Operating income	**21,101**	**0**	**(426)**	**(426)**	**20,675**
Net distribution to investors	(16,512)	0	0	0	(16,512)
Operating income after distribution to investors	**4,589**	**0**	**(426)**	**(426)**	**4,163**
Financial income	735	0	(8)	(8)	727
Financial expenses	(3,073)	0	6	6	(3,067)
Financial result	**(2,338)**	**0**	**(2)**	**(2)**	**(2,340)**
Current result before tax	**2,251**	**0**	**(428)**	**(428)**	**1,823**
Corporation tax	(546)	0			(546)
Net income of consolidated companies	**1,705**	**0**	**(428)**	**(428)**	**1,277**
Amortization of goodwill	(133)	0	133	133	0
Result of discontinued activities	0	0	0	0	0
Total consolidated net income	**1,572**	**0**	**(295)**	**(295)**	**1,277**
Minority interests	215	0	0	0	215
Consolidated net attributable income	**1,787**	**0**	**(295)**	**(295)**	**1,492**

The IFRS adjustments to the result for the first half of 2004 are summarized in the table below. They have a negative impact of €428,000 on operating income. After cancellation of the goodwill amortization charge (€133,000), the impact on the net income of the consolidated group is -€295,000.

Note n°	*(€ thousands)*	30.06.2004
	Income under French GAAP	**1,787**
1	Adjustment of tangible fixed assets (IAS 16)	(192)
2	Adjustment of intangible fixed assets (IAS 38) and charges to be spread over several periods	(234)
3	Adjustment of revenue (IAS 18)	(8)
	Other adjustments	6
	Total IFRS adjustments before tax	**(428)**
	Cancellation of goodwill amortization charge	133
	Income under IFRS	**1,492**
	Net impact on "net income of the consolidated group"	(295)
	- *of which attributable*	*(295)*
	- *of which minorities*	*0*

28.5. Notes

Note 1 - Tangible fixed assets

Impacts of IAS 16 and IAS 36 *(€ thousands)*	Balance sheet as at 01.01.2004	Income as at 30.06.2004	Translation difference	Balance sheet as at 30.06.2004
EUROBULK T.M. BV	(744)	(34)	0	(778)
TOUAX SA	(668)	12	0	(656)
River barges	(1,412)	(22)	0	(1,434)
MARSTEN TLC. WORKSPACE	0	(170)	(6)	(176)
Modular buildings	0	(170)	(6)	(176)
TOTAL	**(1,412)**	**(192)**	**(6)**	**(1,610)**

Note 2 – Cancellation of charges to be spread over several periods

Impacts of IAS 38 and IAS 16 *(€ thousands)*	Balance sheet as at 01.01.2004	Income as at 30.06.2004	Translation difference	Balance sheet as at 30.06.2004
Leasco 2 - Formation expences	(1,715)	126	(66)	(1,655)
Others	(77)		(3)	(72)
Shipping containers	(1,792)	126	(69)	(1,727)
Touax SA - upgrading of modules	(6)	(382)		(388)
Others	(671)	29	(5)	(647)
Modular buildings	(677)	(353)	(5)	(1,035)
TOTAL	**(2,469)**	**(227)**	**(74)**	**(2,770)**

Note 3 – Long-term liabilities (deferred commissions)

Impacts of IAS 18 *(€ thousands)*	**Balance sheet as at 01.01.2004**	**Income as at 30.06.2004**	**Translation difference**	**Balance sheet as at 30.06.2004**
Initial commissions				
Leasco 1 (1)	(2,982)		(117)	(3,099)
Leasco 2 (2)	(2,375)		(93)	(2,468)
Shipping containers	(5,357)	0	(210)	(5,567)
Modular buildings (GIE Modul Finance I) (3)	(3,170)	(8)		(3,178)
TOTAL	**(8,527)**	**(8)**	**(210)**	**(8,745)**

28.6. Consolidated cash flow statements as at 30 June 2004 and 31 December 2004

	30.06.2004		31.12.2004	
(in € thousands)	CRC 99-02	IFRS	CRC 99-02	IFRS
Consolidated net income (including minority interests)	1,572	1,277	2,831	2,791
Depreciation and amortization charge	3,539	3,364	6,362	5,670
Net transfers to provisions (excluding those associated with current assets)	1,061	927	1,973	713
Capital gains and losses on disposals	(1,999)	(1,999)	(4,547)	(4,547)
Cash flow after cost of net financial debt and tax	**4,173**	**3,569**	**6,619**	**4,627**
Cost of net financial debt		2,251		3,297
Current tax charge		253		293
Cash flow before cost of net financial debt and tax	**N/A**	**6,073**	**N/A**	**8,217**
Taxes paid		(253)		(293)
Change in working capital requirement associated with activity	(737)	(737)	(661)	(661)
I - CASH FLOW GENERATED BY OPERATING ACTIVITIES	**3,436**	**5,083**	**5,958**	**7,263**
Investment operations				
Acquisition of fixed assets	(10,042)	(9,441)	(21,147)	(19,159)
Net change in financial fixed assets	(111)	(108)	(2,109)	569
Income from asset disposals	12,129	12,129	28,014	28,014
Change in investment working capital requirement	(1,374)	(1,374)	976	976
Cash position at close of subsidiaries entering or leaving the consolidated group	6	6	6	6
II - CASH FLOW ASSOCIATED WITH INVESTMENT OPERATIONS	**608**	**1,212**	**5,740**	**10,406**
Financing operations				
Net change in financial debts	(4,867)	(4,867)	(4,859)	(4,859)
Net increase in shareholders' equity		0	2,673	0
Cost of net financial debt		(2,251)		(3,298)
Distribution of dividends (including deduction at source)	(717)	(717)	(1,710)	(1,710)
III - CASH FLOW ASSOCIATED WITH FINANCING OPERATIONS	**(5,584)**	**(7,835)**	**(3,896)**	**(9,867)**
Impact of changes in exchange rates	638	638	(1,361)	(1,361)
IV - CASH FLOW ASSOCIATED WITH CHANGES IN EXCHANGE RATES	**638**	**638**	**(1,361)**	**(1,361)**
CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	**(902)**	**(902)**	**6,441**	**6,441**
Cash position at start of period	22,247	22,247	29,590	29,590
CASH POSITION AT END OF PERIOD	**23,149**	**23,149**	**23,149**	**23,149**
Change in net cash position	**(902)**	**(902)**	**6,441**	**6,441**

In the IFRS presentation, the cash flow generated by operating activities shows the following:

- Cash flow after the cost of net financial debt and taxes;
- Cash flow before the cost of net financial debt and taxes;
- The amount of taxes paid, related entirely to cash flow from activities.

The other presentational differences relate to:

- under IFRS the net debt cost (interest paid on bank debts net of financial income associated with cash and cash equivalents) is associated with the financing flows and no longer with the cash flows generated by operating activities (€2,251,000 as at 30 June 2004 and €3,298,000 as at 31 December 2004);
- The reclassification in the cash flow statement as at 31 December 2004 of an intragroup capital increase as a deduction from financial investments (€2,673,000).

In addition to these reclassifications, the operating cash flows under IFRS are reduced by the amount of charges to be spread over several periods appearing in tangible investments under French GAAP.

Report of the Auditors on the 2005 half-year information

In our capacity as auditors and pursuant to article L. 232-7 of the Commercial Code we have conducted:

- a limited examination of the activity statement and the results presented in the form of consolidated half-year financial statements of Touax, relating to the period from 1 January to 30 June 2005, as appended to the present report;
- an audit of the information provided in the half-year report.

These consolidated half-year financial statements have been prepared under the responsibility of the managers. Our duty, on the basis of our limited examination, is to express our conclusion concerning these financial statements.

Having regard to the transition to IFRS accounting standards as adopted in the European Union, for the preparation of the consolidated financial statements for full-year 2005, the consolidated half-year financial statements have been prepared for the first time on the basis of these accounting standards. They include comparative data relating to the 2004 financial year and the first half of 2004 adjusted in accordance with the same rules.

We have conducted our limited examination in accordance with the professional standards applicable in France. These standards require that we conduct a limited assessment resulting in an assurance, of a lower level than that resulting from an audit, that the consolidated half-year financial statements are free of any significant mis-statements. An examination of this kind does not include all the controls which form part of an audit, but is limited to carrying out analytical procedures and obtaining the information we deem necessary from the directors and any competent person.

On the basis of our limited examination, we have not identified any significant mis-statements liable to call into question the compliance, in all significant aspects, of the consolidated half-year financial statements with the IFRS standards as adopted within the European Union.

Without calling into question the conclusion expressed above, we would draw your attention to note 2.1 of the notes to the financial statements, which describes:

- the bases used for the presentation of the half-year financial statements,
- the reasons why the comparative information which will be presented in the consolidated financial statements as at 31 December 2005 and in the half-year consolidated financial statements as at 30 June 2006 may differ from the financial statements attached to the present report.

We have also conducted an audit, in accordance with the professional standards applicable in France, of the information provided in the half-year report commenting on the consolidated half-year financial statements which were the subject of our limited examination.

We have no other observations to make with regard to the accuracy and conformity of the aforementioned information with the consolidated half-year financial statements.

Paris and Neuilly-sur-Seine, 27 October 2005

The Auditors

Leguide Naïm & Associés	Deloitte & Associés
Paul NAÏM	Bertrand de FLORIVAL

The following note entitled "Articles of Association" is inserted in part I of the reference document filed under the number D.05-820 in replacement of the note entitled "Articles of Association" on page 106:

ARTICLES OF ASSOCIATION

Form (Article 1)

The limited company named "TOUAX SGTR-CITE-SGT-CMTE-TAF-SLM TOUAGE INVESTISSEMENT REUNIES", having its registered office at 5 rue Bellini Tour Arago in Puteaux La Défense (92806), has been converted into a partnership limited by shares by the decision of the extraordinary general meeting of 30 June 2005.

It exists between:

- 1) Of the first part, the general partner(s) designated by the present articles of association, which are liable indefinitely and jointly and severally for the debts of the company, namely:
    - Société Holding de Gestion et de Location, a simplified joint stock company having a capital of €37,000, having its registered office at 5 rue Bellini, Tour Arago, Puteaux la Défense, currently being registered in the commercial and companies register of Nanterre, represented by Mr Raphaël Colonna Walewski, born on 22 October 1966 in Neuilly sur Seine (92200), resident at 16 rue du Printemps, Paris (75017), of French nationality.
    - Société Holding de Gestion et de Participation, a simplified joint stock company having a capital of €37,000, having its registered office at 5 rue Bellini, Tour Arago, Puteaux la Défense, currently being registered in the commercial and companies register of Nanterre, represented by Mr Fabrice Colonna Walewski, born on 14 October 1968 in Neuilly sur Seine (92200), resident at 46 avenue de Madrid in Neuilly sur Seine (92200), of French nationality.
- 2) Of the second part, the owners of the shares currently in existence and those which may be created subsequently, having the capacity of limited partners and who, being designated in the present articles of association as "the shareholders" or

"the limited partners", are only liable for the company's debts up to the amount of their contributions.

Corporate purpose (article 2)

The purpose of the company in all countries is:

- The purchase, leasing, financing, sale, operation and maintenance of all standardized, mobile equipment, including in particular shipping or storage containers, modular buildings, river barges and freight railcars,
- The operation of river push-towing, towage, haulage, transport and chartering services on all navigable waterways,
- The design, construction, fitting out, repair, purchase, sale, direct or indirect operation and leasing of modular and industrialized buildings, and more generally all industrial, mobile and transportable equipment,
- The acquisition of holdings in and the operation of any businesses or enterprises of an identical, similar or connected nature whether by the formation of new companies, contributions of assets, subscriptions or purchases of securities or entitlements in such enterprises, mergers, associations, or in any other way,
- The acquisition, obtaining and disposal of all patents, additions and licenses relating to any patents or processes of whatever kind,
- The participation in whatever form in any industrial, financial and commercial companies, all companies dealing in property whether real or movable, whether in existence now or to be founded in the future, both in France and abroad,
- The acquisition and operation, construction and improvement by any means of all forms of land and buildings,
- Generally, any commercial, industrial and financial operations involving property both movable and immovable, able to be associated directly or indirectly with the above-mentioned purposes which may further the development of the company's business.

Partners' rights to the results generated during and at the end of the life of the company (article 20)

The rights to profit, reserves and liquidation dividends shall be distributed as follows:

- From the profit for the financial year, where applicable less prior period losses, a deduction shall be made as indicated in the law, which shall be allocated to the statutory reserve fund. After this deduction has been made, a sum equal to a share in the consolidated net attributable profit of the company shall be allocated to the general partners, such share being calculated in accordance with the formula determined in clause 15.5 of the present articles of association.
- The balance of the profit after the above deductions shall, at the discretion of the general meeting deciding on the proposal of the Management, either be distributed to all shares or allocated to one or more non-interest-bearing extraordinary, general or special reserve funds.

(article 15.5) Owing to their indefinite liability, the general partners are entitled to remuneration deducted from the company's net profit after tax, to be shared equally among them. This remuneration shall amount to 3% of the attributable consolidated net profit after tax of the Touax Group with effect from the 2005 financial year. This remuneration shall be payable at the same time as the dividend paid to the shareholders, and, failing that, within sixty (60) days of the general meeting in which the company approves the financial statements.

Remuneration of the Management (Article 11-5)

The annual remuneration allocated to each manager shall initially be set as follows:

- First, a fixed portion equal to the sum excluding tax and charges of €185,600, with all social and related charges being borne by the managers, excluding the directors' fees, remuneration and expense reimbursements received by the managers in respect of their positions as company officers and functions exercised in all the subsidiaries of the company, up to a limit of €80,000 per manager,
- Second, a variable portion equivalent to the maximum of 1% of the consolidated EBITDA of the Touax Group less Leasing revenues due to investors. For the purposes of this calculation, EBITDA is the consolidated gross operating profit less net transfers to operating provisions.
- Finally, the sum of €850 for each day of business travel outside France, by way of an allowance for absence from home.

The general partners shall freely decide the payment conditions for this remuneration of the managers, and may limit the amount. The variable part shall be paid, after a decision by the general partners, within sixty (60) days of the general meeting in which the company approves the financial statements.

This remuneration may be modified at any time by a decision of the general meeting of shareholders on the proposal of the general partners after consultation with the Supervisory Board, and with the unanimous agreement of the general partners.

All the expenses borne by a manager in the interests of the company, as well as all taxes (excluding personal income tax) and levies on his remuneration shall be met by the company.

Supervisory Board (article 12)

12.1 - A Supervisory Board shall be established comprising at least three members and at most 12 members.

No member of the Supervisory Board may be a general partner, manager or director of a sponsored partnership.

The number of members of the Supervisory Board, and permanent representatives of legal entities which are members of the Supervisory Board, aged over 73 may not, at the end of each annual general meeting convened to rule on the company financial statements, exceed one-third of the members of the Supervisory Board in office. This one-third proportion may be rounded up. If the proportion is exceeded, the oldest member of the Supervisory Board shall be deemed to resign on the date on which the limit is exceeded.

The members of the Supervisory Board shall be appointed by the ordinary general meeting for a period of one year.

The members of the Board shall be eligible for re-election at all times. They may be dismissed at any time by the ordinary general meeting. Shareholders who are general partners may not take part in their election or dismissal.

Legal entities elected as members of the Supervisory Board shall be represented by their legal representative or by a permanent representative appointed by the latter. These legal entities may change the permanent representative whom they have appointed, provided that they notify the company at least 15 days beforehand by recorded delivery letter and simultaneously appoint a new permanent representative.

12.2 - Each member of the Supervisory Board must hold at least 250 shares in the company.

12.3 - If one or more seats on the Supervisory Board become vacant, the Supervisory Board may provisionally, co-opt new members for the remaining term of the vacant office. It shall be required to do so within 15 days if the number of its members falls below three.

These appointments must be ratified by the next general meeting.

In the absence of ratification, the resolutions adopted and acts performed by the Supervisory Board shall nevertheless remain valid.

12.4. - The Board shall appoint a chairman from among its members for a period not exceeding his term of office as a member of the Supervisory Board, and a secretary, who may be the from outside the Board. In the absence of the chairman, the Supervisory Board shall elect a chairman for the session.

The Supervisory Board shall meet when convened by its chairman, by the manager(s) or by half of its members, as often as the interests of the company require and at least twice per year, to hear the report of the Management, either at the registered office or any other place indicated in the notice of meeting.

The Supervisory Board shall only deliberate validly if at least half of its members are present.

Any member of the Supervisory Board may be represented by another member of the board. Each member of the Supervisory Board may only receive one mandate.

Resolutions shall be adopted on a majority of the members present or represented, the chairman having the casting vote in the event of a tie. The managers must be invited and may attend the meetings of the Supervisory Board, but shall have no voting right.

The deliberations of the Supervisory Board shall be recorded in minutes entered in a special register, signed by the chairman and the secretary or by the majority of the members present. A copy shall be sent to the managers.

The members of the Supervisory Board may take part in the deliberations of the board by videoconference, as determined by the internal regulations of the Supervisory Board and in such a way as to guarantee effective participation of members in the meeting, the deliberations of which shall be transmitted continuously. Members taking part in the deliberations by these means shall be deemed to be present for the calculation of the quorum and the majority.

12.5. - The Supervisory Board shall carry out permanent supervision of the management of the company.

It shall submit to the annual ordinary general meeting a report on the conduct of the company's affairs and the financial statements for the year. It shall also draw up a report on each ordinary or extraordinary general meeting.

It may convene the general meeting of shareholding limited partners and the general partners.

In the event that a manager opposes the deeds of another manager, he may authorize the Management to execute the deeds to which such opposition relates.

The ordinary general meeting may grant to the Supervisory Board a fixed annual remuneration by means of directors' fees, the amount of which shall form part of the overheads. The Supervisory Board shall distribute this sum among its members as it deems fit.

The Supervisory Board may establish within it, if necessary with the addition of any external persons, any committees which it deems appropriate. It shall specify their composition and mission and shall appoint the members and the chairman. Such committees shall not have decision-making powers and shall have the task of preparing and clarifying the decisions of the Supervisory Board.

The Supervisory Board may grant its chairman or certain of its members a remuneration or reimbursement of expenses, either temporary or permanent, which it deems appropriate. Such remuneration shall be subject to the procedure for the conclusion of regulated agreements provided for in article 13 of the present articles of association and shall be subject to approval by the ordinary general meeting.

The Supervisory Board may draw up its internal regulations. These internal regulations shall notably specify, where applicable, the composition, missions, organization and resources of the Supervisory Board, in particular videoconferencing resources and the status of its members.

Meetings of shareholding limited partners (article 18)

The provisions applicable to meetings of shareholding limited partners shall be those provided for by the law for limited companies.

18.1 - Nature of meetings

Ordinary general meetings are those convened to take all decisions which do not amend the articles of association.

Extraordinary general meetings are those convened to decide on or authorize direct or indirect amendments to the articles of association.

Special meetings bring together holders of shares in a given category to rule on an amendment to the rights of the shares in this category.

The deliberations of the general meetings are binding on all shareholders, even those who are absent, dissenting or without legal capacity.

18.2 – Convening of meetings - Agenda

Shareholders shall meet each year, no later than six months after the end of the financial year, in an ordinary general meeting.

General meetings which are either ordinary meetings held extraordinarily or extraordinary meetings may also be held at any time of the year.

General meetings shall be convened at the registered office or in any other place indicated in the notice of meeting by the Management, the Supervisory Board or, failing that, by the auditor(s), or by an officer appointed by the presiding judge of the Commercial Court ruling on an interim order and on the application either of any interested party in urgent cases, or by one or more shareholders representing at least one-tenth of the share capital.

Meetings shall be convened 15 days before the date of the meeting, either by simple or recorded delivery letter sent to each shareholder, or by a notice inserted in a local journal of legal announcements for the *Département* in which the registered office is situated. Where meetings are convened by the insertion of an announcement, each shareholder must also be invited by means of a simple letter or, at his request and expense, by recorded delivery letter.

The agenda shall be drawn up by the person convening the meeting.

One or more shareholders, representing at least the minimum shareholding required, and acting under the conditions and within the time limits specified by law, shall be entitled to request, by recorded delivery letter, that draft resolutions be recorded in the agenda of the meeting.

18.3 - Admission – Holding of meetings

Except in cases expressly provided for by law, all shareholders shall be entitled to attend general meetings and take part in deliberations in person or through a representative or by postal vote, whatever the number of shares he holds, on production of proof of identity and ownership of his shares, either in the form of registration or by the depositing of bearer shares at the places stated in the notice of meeting: the period in which these formalities must be completed expires three days before the date of the meeting.

This period may be shortened by the Supervisory Board.

A shareholder may only be represented by his spouse or by another shareholder with proof of authorization.

The General Meeting shall be chaired by one of the managers or, either on the initiative of the managers or in their absence, by the chairman of the Supervisory Board. In the event of absence of the managers and the chairman of the Supervisory Board, the meeting shall appoint the chairman itself.

However, in the event that a meeting is convened by another person specially empowered by the law or the present articles of association, the meeting shall be chaired by the person convening the meeting.

The role of teller shall be performed by the two members of the meeting who, being present and accepting such role, have the greatest number of votes.

The bureau shall appoint a secretary, who may be an non-shareholder. An attendance register shall be maintained, duly initialed by the participants and certified a true copy by the bureau of the meeting.

Minutes recording the deliberations of the meeting shall be signed by the members of the bureau.

The copies or extracts of the minutes shall be certified by one of the managers or by a member of the Supervisory Board, or by the secretary of the meeting.

18.4 - Quorum, majority and vote

a) The ordinary general meeting which meets on the first convocation shall only validly deliberate if the shareholders present or represented hold at least one-quarter of the shares entitled to vote. For the calculation of this quorum, account shall be taken of postal voting forms received by the company before the meeting, subject to the conditions and time limits specified by the regulations in force.

On the second convocation, no quorum is required.

Decisions shall be taken on a majority of the votes of the shareholders present or represented. In the case of postal voting, postal voting forms which give no indication of the intended vote or express an abstention shall be considered as negative votes.

With the exception of those relating to the election, resignation or dismissal of members of the Supervisory Board, no resolution may be adopted in an ordinary general meeting without the unanimous agreement of the general partner(s). The general partners shall indicate their agreement to decisions taken by the shareholders by signing the minutes of the meetings of shareholders.

b) The extraordinary general meeting may only validly deliberate if the shareholders present or represented hold at least, on the first convocation, one-third and, on the second convocation and in the event of an extension of the meeting, one-quarter of the shares entitled to vote.

For the calculation of the quorum, account shall be taken of postal voting forms received by the company before the meeting, subject to the conditions and time limits specified by the regulations in force.

Decisions shall be taken on a two-thirds majority of the votes of the shareholders present or represented. In the case of postal voting, postal voting forms which give no indication of the intended vote or express an abstention shall be considered as negative votes. If a decision is being taken, or the Management is being authorized, to carry out a capital increase through the incorporation of reserves, profits or issue premiums, the necessary quorum shall only be one-quarter on the first convocation. The resolution shall be valid on the second convocation whatever the number of shares represented.

A resolution may only be adopted at an extraordinary general meeting with the unanimous agreement of the general partner(s). However, in the event that there is more than one general partner, the resolutions required to decide on the conversion of the company into a public or private limited company shall only require the prior agreement of the majority of such general partners.

c) Each member of the meeting shall have as many votes as are conferred upon him by the shares which he holds or represents, having regard to the provisions of clause 9.4 of the present articles of association relating to double voting rights.

Manager (article 23 – appointments)

The first statutory managers are:

- Mr Raphaël Colonna Walewski, born on 22 October 1966 in Neuilly sur Seine (92200), resident at 16 rue du Printemps, Paris (75017),
- Mr Fabrice Colonna Walewski, born on 14 October 1968 in Neuilly sur Seine (92200), resident at 46 avenue de Madrid, Neuilly sur Seine (92200).

Voting right (article 9 paragraphs 3 & 4)

9.3 - Subject to the double voting right provided for below, the voting right attached to the capital shares or dividend shares shall be proportional to the portion of the capital which they represent. Each share shall give an entitlement to one vote.

9.4 - A double voting right – i.e. double that granted to other shares, having regard to the portion of share capital which they represent – shall be allocated to all fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least the previous five years.

Double voting rights attached to existing shares prior to the conversion of the company into a partnership limited by shares shall be maintained.

The conversion of a share to bearer or the transfer of its ownership shall cause the share to lose the aforementioned double voting right.

Nevertheless, transfers of shares as a result of succession, liquidation of a joint estate between spouses or donations *inter vivos* in favor of a spouse or relative entitled to inherit (ascendants, descendants and collaterals) shall not result in the loss of the acquired right and shall not interrupt the periods specified above.

In addition, in the event of a capital increase through the incorporation of reserves, profits or issue premiums, the double voting right shall be granted, from the date of issue, to registered shares issued free of charge to a shareholder on the basis of old shares for which he benefits from this right.

Except with regard to voting rights or the date of possession, all new shares created during the life of the company shall be entirely comparable to the old shares of the same category, with the various taxes and levies which may become due in the event of total or partial repayment of the capital during the life of the company or on its liquidation being borne uniformly, having regard to their respective par value, by all shares in existence at the time of repayment and participating therein, in such a way that each of them receives from the company, for the same par value, the same net sum, whatever its origin or date of creation.

Identifiable bearer shares

The company may at any time request EUROCLEAR to identify the holders of bearer shares.

Amendment of articles of association

The general meeting which met on an extraordinary basis on 30 June 2005, having noted the plan to convert the company into a partnership limited by shares, resolved to convert the company and consequently to amend the articles of association.

Exceeding of thresholds

Only the exceeding of legal thresholds must be respected.

The following note on "Corporate governance" is added to part I of the reference document filed under the number D.05-820 as a supplement to the note on "Corporate governance" on page 110:

Following the conversion of the company into a partnership limited by shares, the management and supervisory organs of the company have been modified. The management of the company is carried out by the managers who are assisted in this task by the Management Committee and the operational managements. The company is supervised by the Supervisory Board.

The Management Board

The Managers, Raphaël WALEWSKI and Fabrice WALEWSKI, sit on the Management Board to take all the decisions necessary for the management of the company. The first meeting of the Management Board was held on 28 September 2005 to close the half-year financial statements as at 30 June 2005.

The Supervisory Board

The members of the Supervisory Board were elected at the extraordinary general meeting of 30 June 2005. The first meeting of the Supervisory Board was held on 28 September 2005 to elect its chairman, organize its supervisory work and inspect the half-year financial statements as at 30 June 2005.

Meetings of the Supervisory Board shall be convened by the managers, its chairman or the auditors.

The annual remuneration of the members of the Supervisory Board was set by the extraordinary general meeting of 30 June 2005 at €51,000 for the 2005 financial year.

The members of the Supervisory Board are:

- Mr Alexandre COLONNA WALEWSKI, resident at Chalet "Praz Torrent", 17, rue de la Vella, CH 19136, Verbier, Switzerland, of French nationality; Chairman,
- Mr Serge BEAUCAMPS, resident at 17, rue Nélaton, Paris, (75015); of French nationality;
- Mr Philippe REILLE, resident at 4, rue de la ferme, Neuilly-sur-Seine (92200); of French nationality;
- Mr Jean-Louis LECLERCQ, resident at 3bis, avenue Boileau, La Celle Saint Cloud (78170); of French nationality;
- ALMAFIN, a company incorporated under the law of Belgium, represented by Mr Hugo VANDERPOOTEN, resident at Leuvensesteenweg 555, B.1, B-1930, Zaventem Belgium, of Belgian nationality;

- Mr Thomas M. HAYTHE, resident at 11, Lamboll Street, Charleston, (29401); South Carolina, United States of America, of US nationality;
- Mr Jérôme BETHBEZE, resident at 6, rue Saint Dominique, Paris, (75007), of French nationality.

In accordance with the recommendations of the Bouton Report, the Supervisory Board has two independent members, Mr Thomas Haythe and Mr Jérôme Bethbèze.

Almafin, represented by Mr Hugo VANDERPOOTEN, tendered its resignation to the Supervisory Board meeting of 28 September 2005, since Almafin was no longer a shareholder of TOUAX.

The Management Committee

This Management Committee currently comprises four members.

- Raphaël Colonna Walewski Manager
- Fabrice Colonna Walewski Manager
- Stephen Ponak Finance Director
- Thierry Schmidt de La Brélie Administrative and Accounting Director

By means of regular meetings, generally monthly, the Committee ensures the effective management of the company and its subsidiaries.

Its work consists essentially of:

- The development of commercial and financial strategies
- The monitoring and supervision of the Group's activities
- Decisions on investments and divestments

Financial meetings of a technical nature are also held by certain members of the Committee at least twice each month. The Management Committee also requires specific directors of the Group to participate with regard to particular points.

The Remuneration Committee

A Remuneration Committee, comprising two members of the Supervisory Board (Alexandre Colonna Walewski, Philippe Reille), meets at least once each year to decide on the remuneration of the personnel.

The Financial Statements Supervisory Board

The Financial Statements Supervisory Board has the task of supervising the financial statements. It comprises two members (Alexandre Colonna Walewski, Jean Louis Leclercq) and meets twice a year to inspect the half-year and full-year financial statements.

The Business Segments Supervisory Board

The Business Segments Supervisory Board has the task of supervising the four business segments (shipping containers, modular buildings, river barges and railcars). It comprises the Chairman of the Supervisory Board (Alexandre Colonna Walewski), who organizes two meetings for each business segment per year with the managers and the business directors.

The report of the auditors on the forward-looking information included in the update of the reference document for the 2004 financial year is inserted in part I of the reference document filed under the number D.05-820:

In our capacity as auditors and pursuant to Regulation (EC) 809/2004, we have drawn up the present report on the forecasts for the results of the TOUAX Group included in the section entitled "Outlook for the Group in the second half of the year" on page 9 of the update of the reference document for the 2004 financial year (interim financial statements as at 30 June 2005), which appears in the company's prospectus dated 27 October 2005.

These forecasts and the significant assumptions which underlie them have been drawn up under your responsibility, pursuant to the provisions of regulation (EC) 809/2004 and the CESR recommendations relating to forecasts.

Our duty, on the basis of our work, is to express a conclusion, under the terms required by annexe I, point 13.3 of Regulation (EC) 809/2004, on the appropriateness of the way in which these forecasts have been prepared.

We have conducted our work in accordance with the professional standards applicable in France, with the exception of the point described in the following paragraph; these standards require that we assess the procedures established by the Management in order to prepare the forecasts, the steps taken to ensure that the accounting methods used comply with those adopted for the preparation of the historical information of the TOUAX Group and the gathering of information and explanations providing reasonable assurance that the forecasts have been drawn up appropriately on the basis of the stated assumptions.

The forward-looking information referred to in the note entitled "Outlook for the Group in the second half of the year" in the update of the reference document included in the prospectus does not result from a structured process. This information, which related to minimum targets set by the Group's Management, has not been confirmed by the latter.

Consequently, we are not able to express an opinion concerning:

- The appropriateness of the method by which these forecasts were prepared;
- The compliance of the accounting basis used for the purposes of these forecasts with the accounting methods applied by Touax.

Paris and Neuilly-sur-Seine, 28 October 2005

The Auditors

Leguide Naïm & Associés
Paul NAÏM

Deloitte & Associés
Bertrand de FLORIVAL

The concordance table on page 121 of part I of the reference document filed under the number D.05-820 is replaced by the following concordance table.

Page numbers without any accompanying note refer to the reference document filed on 3 June 2005 bearing the number D.05-0820.

Page numbers accompanied by the word "updated" refer to the update of the reference document filed on 21 July 2005 bearing the number D.05-0820 A01.

Page numbers accompanied by the word "reupdated" refer to the update of the reference document filed on 28 October 2005 bearing the number D.05-0820 A02.

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