annual report

your operational leasing solution

2005

TOUAX

Historical background

1855 Fundation of *Compagnie de Touage de la Basse Seine et de l'Oise.*

1898 Creation of TOUAX, named SGTR (*Société de Touage et de Remorquage*), resulting from the merger of *Compagnie de Touage de la Basse Seine et de l'Oise* and *Société de touage et de remorquage de l'Oise*: TOUAX owns 14 chain tows and 31 tug boats.

1906 The company is listed on the *Marché Comptant* of the Paris Stock Exchange.

1926 Significant acquisitions and buyouts of minority interests in many companies (*Compagnie fluviale du Midi sur la Garonne, Société de Traction de la Meuse et de la Marne*).

1946 Capital increase to finance the renovation of equipment.

1954 First investments in the railcars business.

1973 Launch of the modular buildings business.

1974 Launch of the shipping containers business.

1981 International development with the creation of TOUAX Corporation in the United States.

1985 Acquisition of the container company Gold Container Corporation.

1995 Beginning of financing by securitization and decision to expand equipment management programs for investors.

1999 TOUAX is listed on the *Second Marché* of the Paris Stock Exchange.

2001 Creation of the subsidiary TOUAX RAIL Ltd in Dublin to develop the railcars business.

2002 TOUAX joins EURONEXT's NextPrime market segment.

2005 Re-Purchase of 100% of the railcars activity.

The message of the general partners

« Our Group is pursuing its growth in the operational leasing of shipping containers, modular buildings, river barges and freight railcars, supported by a trend towards outsourcing among its customers. The Group, which is firmly focused on international operations (90% of its revenues are generated outside France), is benefiting from the performance of the global economy (+3% in 2005) and from the constant growth in the volume of international trade (+7% in 2005 – source UN). The Group's net attributable income grew by 28.5% in 2005.

The shipping container leasing business continues to benefit from the increase in global trade.

The modular buildings business has confirmed its recovery with growth in the USA (Florida, Georgia), Poland and Spain.

The river barges business benefited from sustained activity on the Mississippi and the Danube.

The liberalization of rail freight in Europe is helping the railcar leasing business to continue its growth with new investments.

The global economy provides favorable prospects for the Touax businesses in 2006. The recent capital increase (November 2005) has enabled the Group to increase its owned assets, finance growth and acquire 100% of the railcar leasing business (Touax Rail Ltd). These investments will have a significant positive impact, with net income expected to rise by more than 30% in 2006.

We would like to thank all of our employees for providing our customers with a quality of service that has made us one of the world's leading operational leasing companies in each of our four businesses. »

Fabrice and Raphaël WALEWSKI
General Partners

your operational leasing solution

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

The TOUAX Group has increased its turnover by 1.8 times in the past five years, to an operating revenue of €222 million in 2005, 90% of which was generated outside France.

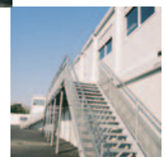
Its business consists of the leasing of four types of standardized mobile equipment, with long useful lives ranging from 15 years to 40 years:

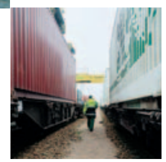
- the shipping containers, with a fleet of about 290,000 TEU (twenty foot equivalent units) throughout the world, are placing the Group second in continental Europe and 10th worldwide (source: Containerisation International, Market Analysis, Container Leasing Market 2005);
- the modular buildings for offices, schools, hospitals, welfare units for buildings site 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 about 22,000 units in Europe and the United States (source: TOUAX);
- the river barges for leasing and the transportation of dry bulk goods in Europe and the USA. With 173 units and a transport capacity of about 380,000 tons (source: TOUAX), the Group is one of the leading operators in Europe;
- the railcars for the transportation of goods by railway companies and major industrial groups in Europe and the USA. The Group manages a fleet of 3,100 railcars - platforms.

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

- flexible service (short or long term contracts),
- an alternative to capital expenditure,
- subcontracted maintenance,
- fast availability.

As of 31 December 2005, the Group managed equipment on its own behalf and on behalf of institutional investors for a value of €687 million.



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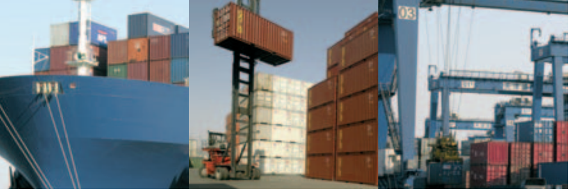


Shipping containers

Shipping lines

International trade

Standardization

Recent fleet

14 offices and agents in Asia, Europe, America, Australia, India

3,8 years: average age of the fleet

A service that has expanded with the globalization of trade to meet the shipping lines' needs in terms of flexibility.

A strong growth market

The shipping container is an internationally standardized logistical unit, ideally suited to all modes of transportation (sea, river or land). It has revolutionized international transportation since the early 1970s and has grown at an exceptional pace thanks to the globalization of exchanges and international trade.

With its American subsidiary (Gold Container Corporation), the TOUAX Group has seen its fleet size increase over the past eight years by more than 260,000 TEU (growing from 26,456 TEU in 1996 to 288,904 TEU at the end of 2005). The company is now the tenth-largest lessor worldwide and the second-largest in continental Europe (source: Containerisation International, Market Analysis: Container Leasing Market 2005).

The TOUAX service

The Group specializes in standard dry containers (20 or 40 feet long) which can be leased to any of the world's shipping lines.

Its fleet is constantly updated and now has an average age of less than 4 years.

Gold Container Corporation offers a wide range of contracts:

- short-term operational leases (renewable annual contract of the "master lease" type);
- long-term operational leases (3 to 7 years) with or without option to purchase; lease-purchase. These contracts represent 82% of the fleet managed by Gold Container Corp;
- sale and leaseback program and hire purchase.

Gold Container Corporation works with over 100 shipping companies worldwide, including 23 of the top 25. Its customers include leading names such as Maersk Line, Evergreen, Mediterranean Shipping Company, CMA-CGM, China Shipping, etc.

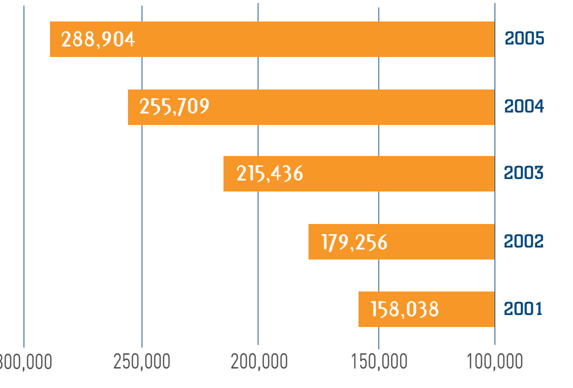
Presence

The Group maintains an international presence through a network of four offices (in Paris, Miami, Hong Kong, and Singapore), 8 agents in Asia, Europe, North and South America, Australia and India and is linked to approximately 150 depots in the world's leading ports, thereby providing global coverage for all its customers.

TOUAX has operated a centralized, Internet-accessible IT system since 2001. Customers can track leased containers at any time, check their technical status and availability worldwide and access other information that facilitates container pick-up and drop-off operations (www.gold-container.com).

By 2010 the Group aims to achieve a fleet size of 500,000 TEU, to meet the demands of its principal customers and thus consolidate its position among the world's 10 leading lessors of shipping containers.

Fleet managed by the Group



Modular buildings

A flexible service for a diverse customer base.

The Group offers leasing and sales of modular buildings for industry, local authorities and the construction and public works sector.

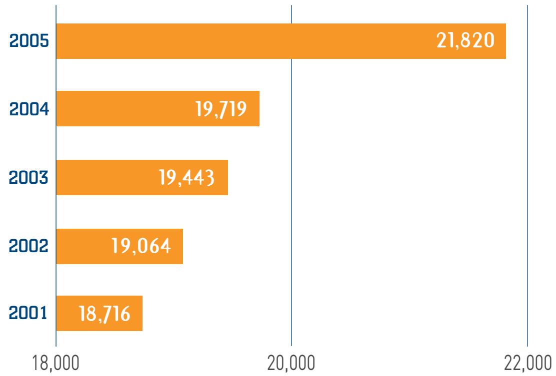
At the end of 2004, TOUAX operated a fleet of 21,820 units, placing it third in Europe and sixth in the world (source: TOUAX).

Clear advantages

TOUAX modular buildings offer customers the ability to:

- save money, as they are less expensive than traditional buildings,
- save time, with a quick disposal of the workspace,
- custom design their workspace at minimum cost, making it easy to expand, reduce or transfer buildings,
- have attractive, safe and comfortable buildings, with ergonomic workplace environments.

Fleet managed by the Group



A diverse customer base

The main customers are drawn from the industrial sector, local authorities and construction and public works companies. TOUAX provides buildings for offices, hospitals, laboratories, schools as well as welfare units for buildings site and other community facilities. Thousands of customers are loyal to TOUAX buildings, including: ST micro-electronics, British Petroleum, Sanofi, Bouygues, Hochetief, FCC, regional authorities, etc.

Development of a branch network in Europe and the USA

The Group operates across an increasingly wide geographical area.

In France, TOUAX has eight branches. The Group is also present in Germany (Hamburg/Kiel, Rostock, Berlin and Frankfurt), in the Netherlands at Moerdijk, in Belgium at Leuven, in Spain at Madrid and Barcelona, in Poland at Gdansk, Poznan, Warsaw and Katowice and in Florida (Orlando, Fort Myers, Tampa) and Georgia (Atlanta) in the United States.

The Group intends to continue its development throughout Europe and the South-Eastern United States in the years ahead.

Offices

Schools,

Hospitals

Community facilities

3rd in Europe

6th in the world

River barges

Environmentally friendly

Competitive

Leasing

Transportation

173 barges, self propelled barges and pushboats

1st in Europe dry cargo barges

A growth service driven by economical and environmental benefits.

River transport remains the most competitive mode of inland transportation. It is also the least costly for the community and the most environmentally friendly, as it helps to take traffic off the roads.

Customers rely on TOUAX for their fleet outsourcing needs and when subcontracting their river transportation requirements.

A solid reputation for quality service among industry and transport operators

The Group provides two types of service:

- transportation and chartering (40% of units),
- leasing of river barges (60% of units).

As at 31 December 2005, the TOUAX Group managed a fleet of 173 barges, self-propelled vessels and pushboats (including 133 barges), making it the largest company in Europe providing barge transport of bulk dry cargo, with a daily transport capacity of 379,463 tons (source: TOUAX).

The barges operate principally under the "TAF" and "EUROTAF" trade names.

TOUAX works on behalf of large industrial groups and transport operators such as EDF, Cargill, Dreyfus, Lafarge, GKE, etc. for the transportation of coal, grain, ore and all kinds of dry heavy goods.

A unique international presence

TOUAX benefits from a wide geographical presence:

In France (Seine, Rhone), TOUAX leases barges transporting coal, grain, fertilizer, cement and construction materials, as well as large-volume packages.

In the Netherlands (Rhine, Meuse, Moselle, Main), the Group leases barges and transports and stores phosphates, fertilizers, coal, ore and iron.

In addition, the Group maintains a river link between Rotterdam and a large number of ports in the Benelux countries, France, Germany and Switzerland, for the transportation of containers.

In Romania (Danube), the Group transports and stores grain, cement, steel, coal and ore on the Rhine-Main-Danube network, which extends over 2,500km across seven countries. TOUAX is one of the leading operators in the Romanian market.

In the United States (Mississippi), TOUAX leases barges for the transportation of grain, steel coils, fertilizers and cement.

In South America, TOUAX has sold its equipment and plans in the medium term to reposition itself in operational leasing and the lease-purchase of barges for the main local operators on the Parana river.

Freight railcars

Services for industrial operators and rail networks.

Resumption of investments and development of leasing

In the 19th century, the development of the railway boosted and improved international trade. Rail transport was the principal mode of transportation until 1930. It was seriously challenged by road transport for many years, but is today regaining its leading role. Governments are turning increasingly to this mode of transport for economic and environmental reasons. The advanced age of the railcar fleet (estimated at over 30 years in Europe) requires substantial investment, which will be provided by both operators and lessors.

The TOUAX service

In Europe

Bolstered by its leading position in the European container leasing market, TOUAX has specialized in intermodal railcars for the transportation of shipping containers and swap bodies, placing its expert market knowledge at its customers' disposal.

The railcars offered by the Group (mainly 45', 60', 90' and 106' intermodal flat railcars) can circulate freely throughout mainland Europe (including Great Britain for certain types of railcar, but excluding Spain and Russia).

TOUAX has developed a continuous production line of new railcars and can therefore offer short delivery times. The company also offers the leasing and sale of renovated railcars from Eastern Europe.

In the United States

TOUAX has formed a joint venture with Chicago Freight Car Leasing (CFCL – TOUAX). This partner operates over 7,000 hopper cars for transporting heavy products such as sand, cement and grain.

TOUAX Rail offers a wide range of contracts both in Europe and in the United States:

- flexible operational leasing (1 to 7 years) for renovated second-hand railcars,
- medium and long-term operational leasing (3 to 7 years) for new railcars,
- lease-purchase,
- sale and leaseback program.

All these contracts may be entered into as "full-service leases", which means that rents include the servicing and maintenance of the railcars. TOUAX has entered into numerous partnerships with rail workshops to provide local technical monitoring of railcars and to ensure a rapid and efficient service.

The Group is currently working with the main public and private rail operators in Europe and the United States, as well as the major industrial groups that use this mode of transport.

Presence and outlook

TOUAX currently offers its services in Europe and the United States through a network of four offices in Dublin (Ireland), Paris (France), Constanza (Romania) and Chicago (United States).

TOUAX will continue to invest in new railcars to meet the increasing demands of its customers. It will also continue to develop its relationships in Europe with rail operators from the public and private sectors.

Flexible leases

Intermodal cars

Hopper cars

Combined rail-road

2nd largest European lessor of intermodal rail cars

4 offices in Europe and USA

Organiza

Shipping containers

FRANCE
(Paris)
Europe / Africa region
(administrative office)

UNITED STATES
(Miami)
Americas region

CHINA
(Hong-Kong, Shanghai)
North Asia region

SINGAPORE
South Asia region

AGENTS
AUSTRALIA. Melbourne
BRAZIL. Sao Polo
BELGIUM. Antwerp
INDIA. Bombay
ITALY. Genoa
JAPAN. Tokyo
SOUTH AFRICA. Durban
SOUTH KOREA. Seoul
TAIWAN. Taipei

Modular buildings

FRANCE

BELGIUM

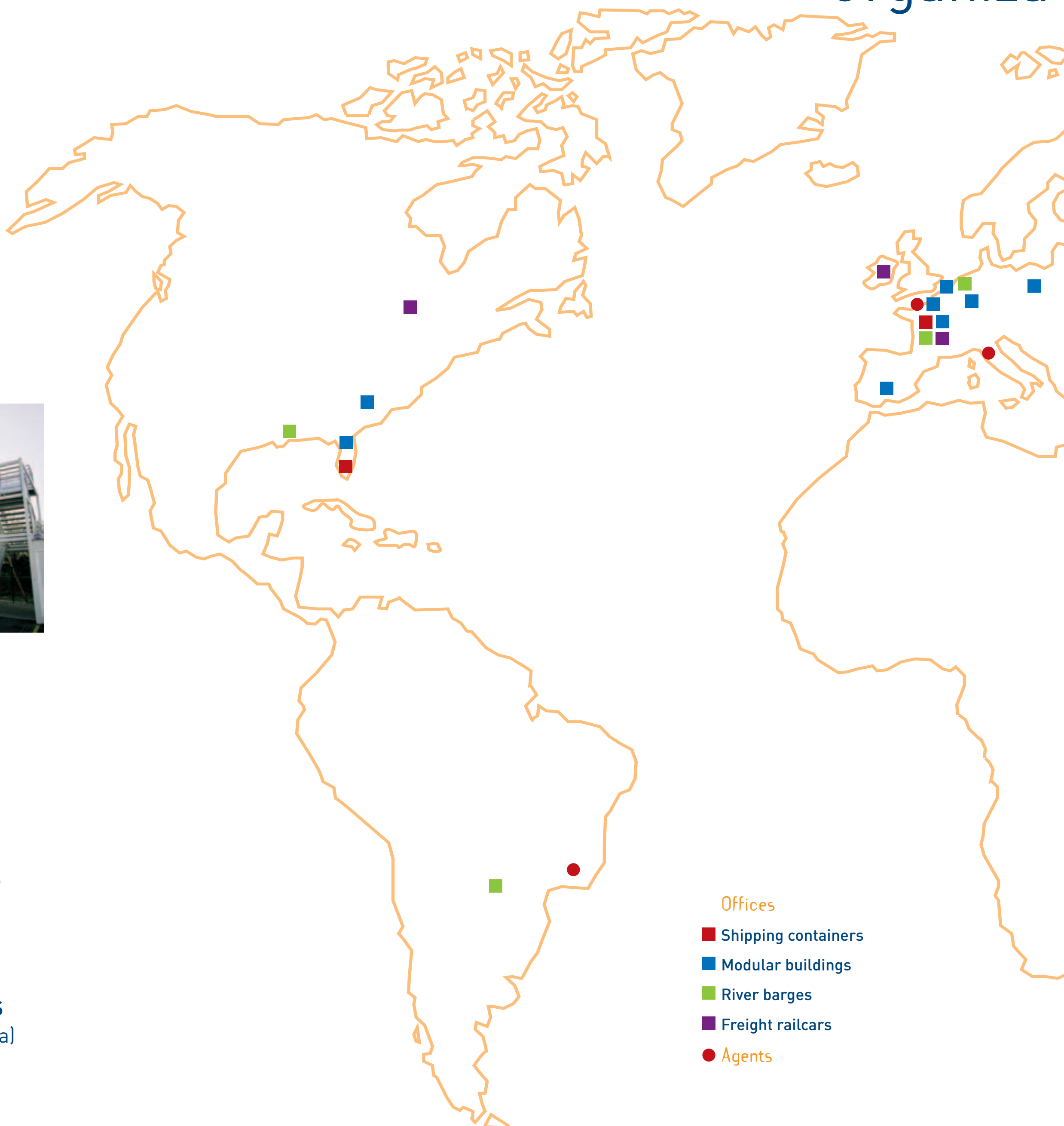
GERMANY

NETHERLANDS

POLAND

SPAIN

UNITED STATES
(Florida & Georgia)



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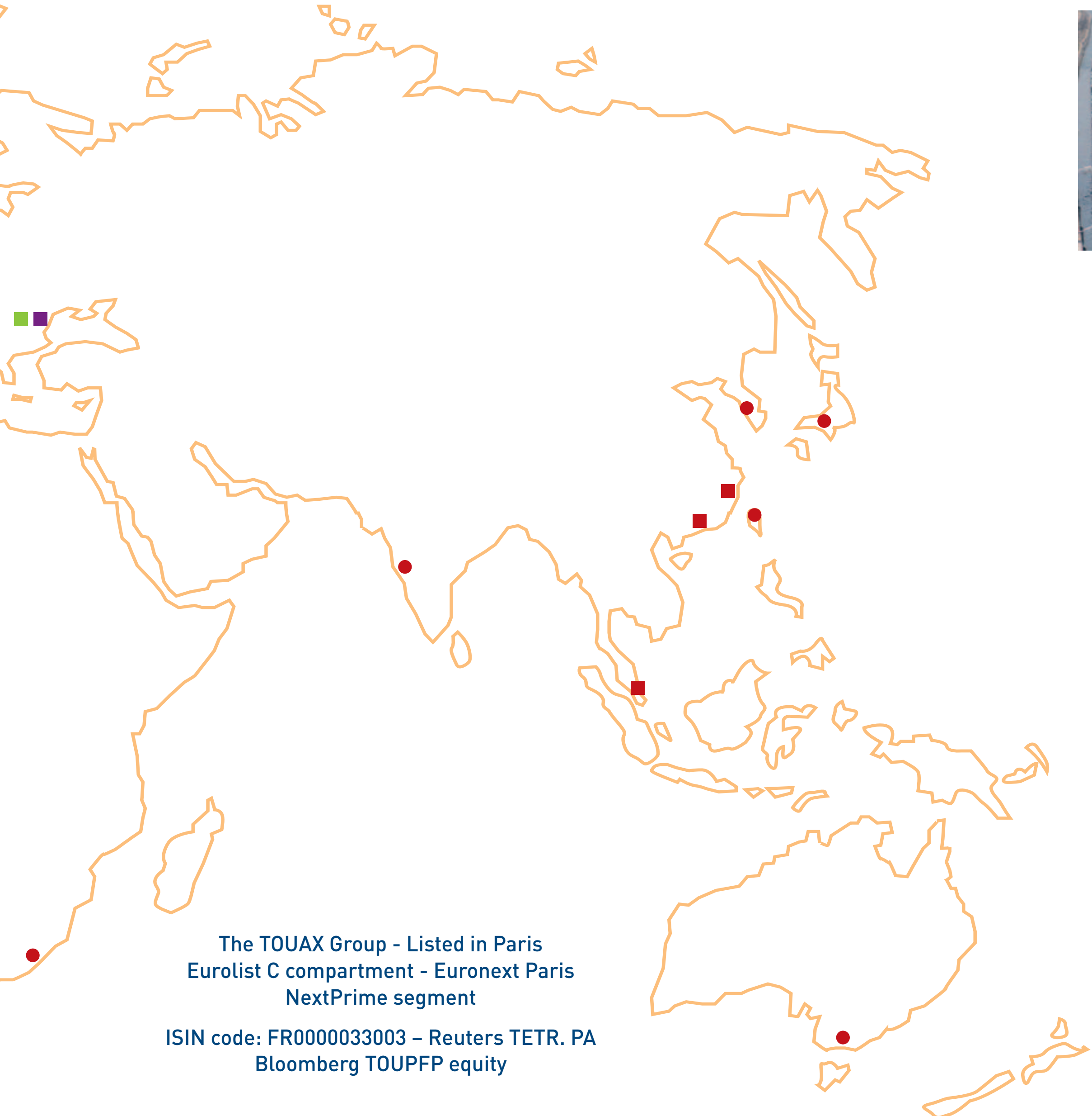


The TOUAX Group - Listed in Paris
Eurolist C compartment - Euronext Paris
NextPrime segment

ISIN code: FR0000033003 – Reuters TETR. PA
Bloomberg TOUPFP equity

River barges

FRANCE
Seine, Rhone,

NETHERLANDS
Rhine, Meuse,
Mosel, Main

ROMANIA
Danube

UNITED STATES
Mississippi

SOUTH AMERICA
Parana, Paraguay

Freight railcars

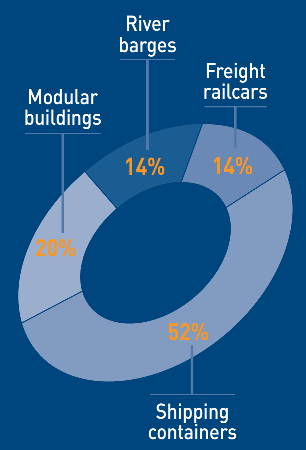
FRANCE
(*technical office*)

IRLANDE
(Europe region)

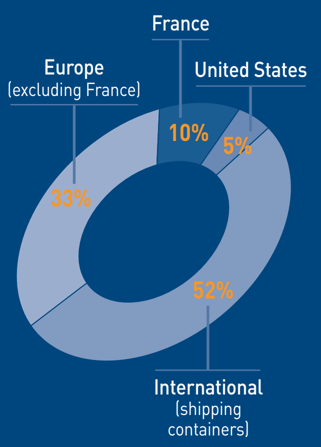
ROUMANIA
(Eastern Europe region)

UNITED STATES

Breakdown of revenues by business



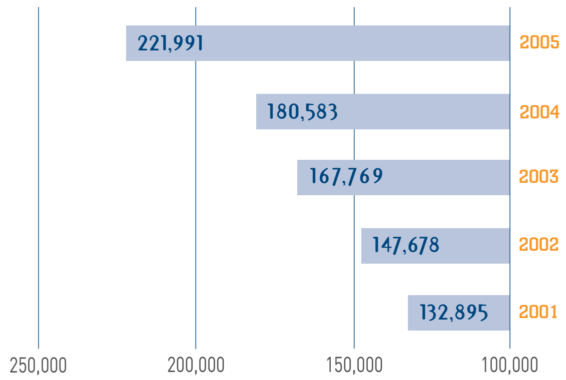
Breakdown of revenues by geographical *



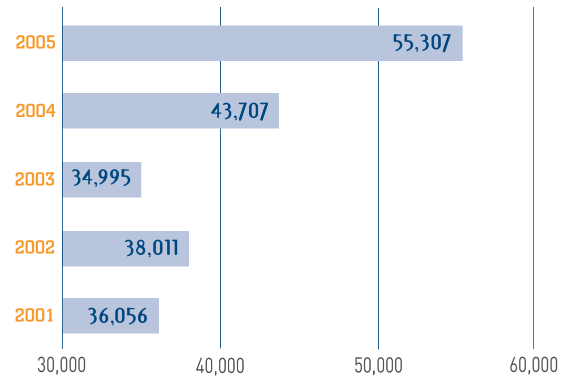
* The breakdown into geographical sectors is based on the locations of Group companies, except in the case of shipping containers, where it is based on the location of customers, who by their nature operate internationally. For the record, the shipping containers business is managed within an American subsidiary.

Key figures

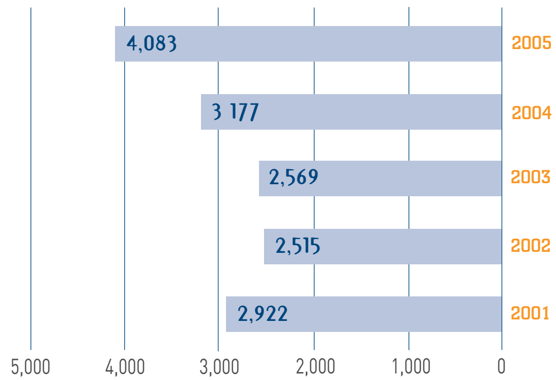
Consolidated revenues
(in thousands of euros)



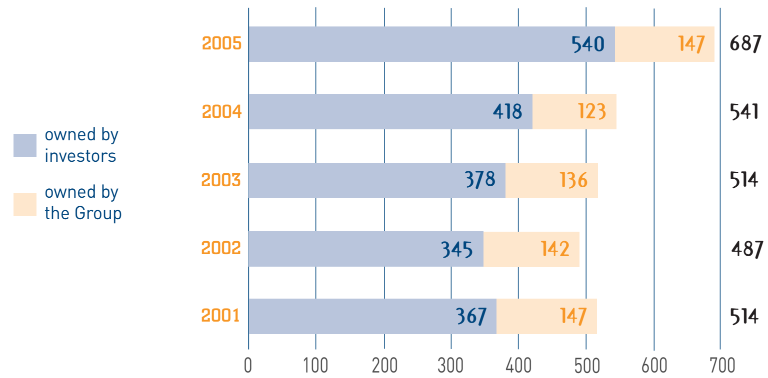
Consolidated operating income
(in thousands of euros)



Consolidated net attibutable income
(in thousands of euros)



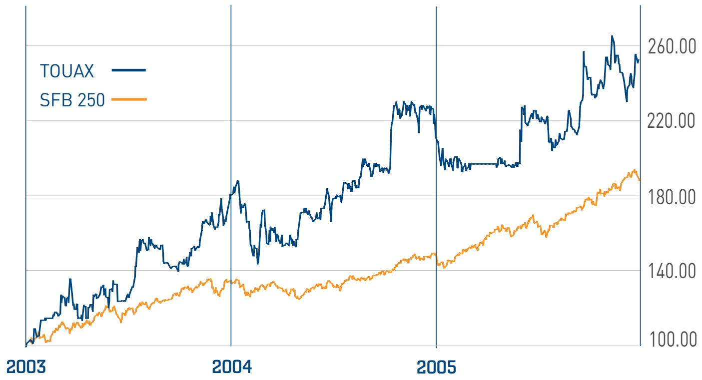
Breakdown of assets under management
(in thousands of euros)



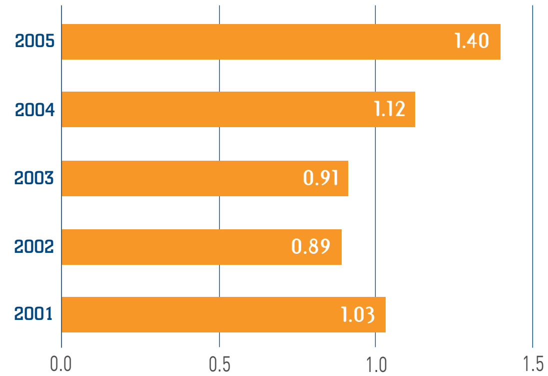
Over half of the assets under management are valued in US dollars. The decline in the value of the dollar over the past two years has meant that the value of the managed fleet has remained stagnant when expressed in euros.

Stock market

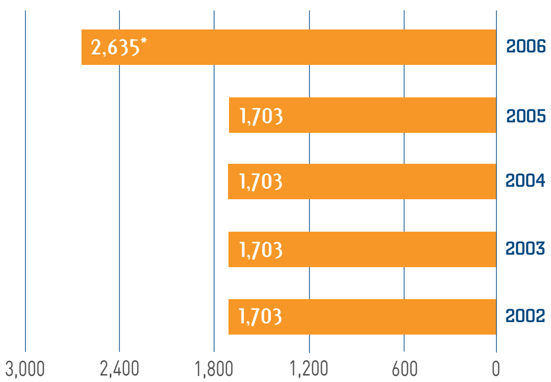
Trend in share price (base price = 100 as at 14 April 2003) on 3 years



Net earning per share
(in euro)

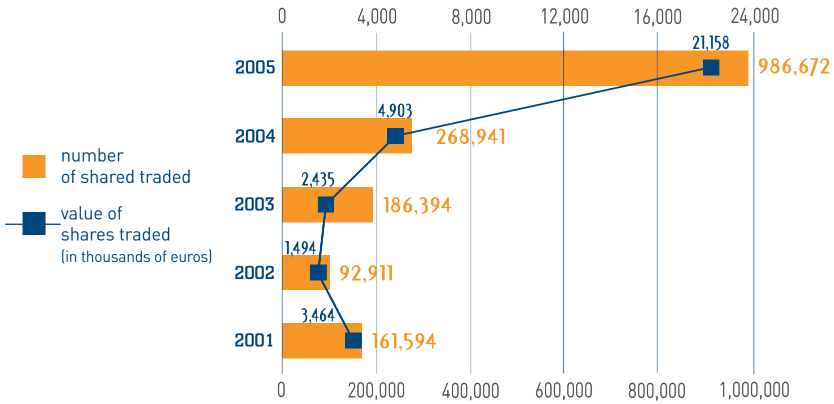


Dividends distributed
(in thousands of euros)



** depending upon the 28th June 2006 Shareholders meeting approval.*

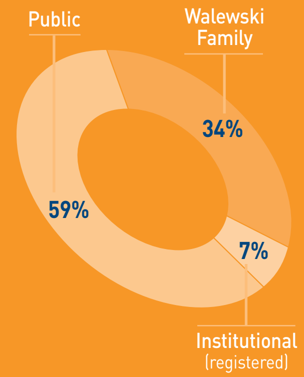
Shares traded over a 5-year period



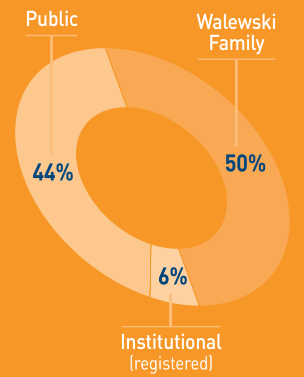
Schedule of future financial announcements

Revenues for 1st quarter 2006: **15 May 2006** ■ Revenues for 2nd quarter 2006: **week of 14 August 2006** ■ Shareholders Meeting: **28 June 2006** ■ Payment of dividend for 2005: **7 July 2006** ■ First-half results 2006: **29 September 2006** ■ Revenues for 3rd quarter 2006: **week of 13 November 2006** ■ Revenues for 4th quarter 2006: **week of 12 February 2007** ■ Results 2006: **week of 26 March 2007.**

Distribution of capital as at 31 December 2005



Distribution of voting rights as at 31 December 2005



TOUAX

Contents

Responsible persons

Persons responsible for the information contained in the reference document

Fabrice and Raphaël Walewski, Managers

Declaration by the persons responsible for the reference document

"Having taken all reasonable measures to this end, we confirm that to the best of our knowledge, the information contained in this reference document is correct and includes all the information required to permit investors to reach a judgment concerning the assets and liabilities, activity, financial position, results and outlook of the issuer. No information has been omitted that would be likely to alter its import.

We have obtained from the statutory auditors an assignment completion letter in which they state that they have conducted an audit, in accordance with the principles and professional standards applicable in France, of the information relating to the financial position and the financial statements included in the present reference document and have read the entire reference document.

The historical financial information presented in the reference document has been the subject of reports by the statutory auditors."

9 June 2006

Fabrice and Raphaël Walewski

Managers

Statutory auditors

Details of the statutory auditors

	Date of first appointment	Expiry of appointment
Principal auditors		
DELOITTE & Associés Represented by M. Bertrand de Florival 185, Avenue Charles de Gaulle 92200 Neuilly sur Seine	6 June 2000, renewed at the Ordinary General Meeting of 30 June 2005.	At the end of the Ordinary General Meeting convened in 2011 to decide on the financial statements for the 2010 financial year.
LEGUIDE NAIM & Associés Represented by M. Paul Naïm 21, rue Clément Marot 75008 Paris	29 July 1986, renewed at the Ordinary General Meeting of 28 June 2004.	At the end of the Ordinary General Meeting convened in 2010 to decide on the financial statements for the 2009 financial year.
Substitute auditors		
B.E.A.S. 7-9 Villa Houssay 92200 Neuilly sur Seine	6 June 2000, renewed at the Ordinary General Meeting of 30 June 2005.	At the end of the Ordinary General Meeting convened in 2011 to decide on the financial statements for the 2010 financial year.
Serge LEGUIDE 21, rue Clément Marot 75008 Paris	29 July 1986, renewed at the Ordinary General Meeting of 28 June 2004 as substitute to LEGUIDE NAIM & Associés.	At the end of the Ordinary General Meeting convened in 2010 to decide on the financial statements for the 2009 financial year.

Change of statutory auditors

No change occurred during the period under review.

Selected financial information

Selected historical financial information

Key figures of the income statement

(€ thousands)	2005	2004
Leasing revenues	127,968	110,267
Sales of equipment	93,925	70,227
Revenues	221,991	180,583
Operating income before distribution to investors	55,307	43,707
Operating income after distribution to investors	8,626	6,845
Consolidated net attributable income	4,083	3,177
Earnings per share (€)	1.40	1.12

Key figures of the balance sheet

(€ thousands)	2005	2004
Total assets	206,290	179,606
Total non-current assets	122,509	92,233
Attributable shareholders' equity	56,390	33,868
Minority interests	(167)	146
Net dividend per share including exceptional dividend (€)	0.6	0.6

No significant change has arisen in the Group's financial or commercial position since the end of the last financial year.

The selected historical financial information is complemented by the management report 119.

Selected financial information for intermediate periods

Not applicable.

Risk factors

These risks or any of these or other risks, not currently identified or considered to be insignificant by TOUAX, may have a negative effect on the business, financial position or results of TOUAX, or on its share price.

Dependence factors

The Group is not significantly dependent on any holders of patents or licenses, industrial, commercial or financial supply contracts, new manufacturing processes, suppliers or public authorities.

Leasing is a recurrent and stable activity. Leasing revenues consequently have low volatility. The business sectors are distinct and the customers and suppliers in each business are different. The businesses use low-technology equipment which is easy to construct. In each of its businesses, the Group has diversified customers and suppliers and is not in a significant position of Dependence on any of its customers or suppliers.

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. To minimize the risk of Dependence on investors, the Group seeks to increase and diversify the number of investors with whom it operates. However, it should be noted that 61.5% of revenues from equipment sales were generated with a single investor in 2005. In other words, the Group concluded several new management programs in 2005, the most significant of which represents 61.5% of equipment sales.

Risk factors

Market risk

The Group does not have any open positions in the derivative markets and has not used any speculative financial instrument which could have significantly exposed it to financial risks.

The Group's financial flows are therefore only exposed to changes in interest and exchange rates up to the level of its foreign currency positions and borrowings from financial institutions.

Interest rate and currency risks are monitored by means of monthly reports prepared by subsidiaries for the Group Treasury department; these reports include loans granted by external institutions and loans concluded between the subsidiaries of the Group. This information is checked, analyzed, consolidated and reported to the Executive Committee. The Group Treasury department makes suggestions on the management of interest and currency risks and the decisions are taken by the Executive Committee. Standard office automation tools meet the Group's requirements for the monitoring of these risks.

In addition, off balance sheet liabilities are regularly listed, particularly on the drawing of each new loan, in order to ensure that comprehensive information is provided.

Liquidity risk

A liquidity risk arises from the difference in term between the underlying assets and liabilities.

In other words, when the assets are of a longer term than the liabilities, there is a theoretical liquidity risk in that it might prove impossible to sell assets to meet the due dates or possible early repayment demands under bank lines of credit. In order to analyze this risk, it is necessary to compare the Group's gross indebtedness to its net fixed assets and cash position and then to analyze the repayment dates in relation to cash flow. The Group's indebtedness, which is set out in detail in the notes to the consolidated financial statements, may be summarized as follows:

	Balance sheet amount	Breakdown	Average rate	Proportion subject to variable rate
Short-term credit	32.2 M€	35%	3,59%	100%
Medium and long-term credit	59.2 M€	65%	5,10%	57%
TOTAL	**91.4 M€**	**100%**	**4,57%**	**75%**

Against this debt, the Group has €103 million of net fixed assets and €26 million of cash and short-term investments.

The due dates for the Group's debt are as follows (in € millions):

	Total	2006	2007	2008	2009	2010	over 5 years
Short-term credit	32.2	26.9	3.9	0.2	0.2	0.2	0.8
Medium and long-term credit	59.2	16.3	8.6	7.5	6.4	12.2	8.2
TOTAL	**91.4**	**43.2**	**12.5**	**7.7**	**6.6**	**12.4**	**9**

Generally, the liquidity risk is limited, as the Group is able to sell or refinance its assets. The Group operates standardized, low-technology assets which have relatively high residual values in a fairly liquid market.

The Group's internal financing resources (i.e. its cash flow plus the proceeds of asset disposals) have amounted to an average of €32 million over the last three years and stood at €38 million on 31 December 2005, thus covering most of the theoretical maximum amounts due in 2006. The Group also currently has more than €70 million of bank credit lines. Finally, the due dates for the short-term credit are theoretical, as they assume that none of the credit lines will be renewed, which is highly unlikely.

Details of the covenants are given in the notes to the consolidated financial statements note 22 page 81. The Group complied with all of its financial ratios as at 31 December 2005.

In the context of the securitization transactions referred to in the notes to the consolidated financial statements note 27 page 84, the TOUAX Group has provided collateral deposits and granted pledges on equipment. In the event that the return on equipment belonging to the Trusts is insufficient to enable the trusts to achieve their expected levels of profitability, the Trusts have the possibility of drawing on the collateral deposits paid by the Group. There is no residual liquidity risk on the securitization transactions. This is because on the one hand the TOUAX Group's risk is limited to the amount of these collateral deposits and on the other hand because the collateral deposits involve bank accounts into which the collateral sums have been paid by the Group.

Interest rate risk

Interest rate risk relates to a fall in interest rates in the case of fixed rate loans or a rise in rates in the case of variable rate loans. The Group's exposure to variations in interest rates is detailed in the notes to the consolidated financial statements.

A 1% change in short-term rates would increase the Group's total financial expenses by 16% (on the basis of the financial expenses paid in 2005). This sensitivity is due to the preponderance of variable rate debt (75% of total debt) and by the continuing low level of short-term rates. Nevertheless, the risk is limited due to the strong correlation between the leasing rate invoiced to our customers and the inflation rate.

In 2003, the Group's Treasury department entered into interest rate swaps in order to reduce this sensitivity to rises in short-term rates. These four interest rate swaps, three relating to loans denominated in euros and the fourth relating to a debt denominated in dollars, have enabled the Group to reduce its sensitivity to interest rate rises from 16% to 13%. Excluding the impact of these interest rate derivative products, the breakdown of debt was 75% variable rate and 25% fixed rate. Taking these operations into account, the fixed rate debt represents 36% of total indebtedness and variable rate debt 64%.

Currency risk

The Group's exposure to fluctuations in exchange rates principally concerns changes in the value of the US dollar. Other currencies are not significant. The Group's results evolve in a positive correlation to the US dollar. It is estimated that a fall of 10% in the annual average rate for the US dollar would have generated an estimated fall of 3% in operating income after distribution to investors in 2005.

The modular buildings businesses operate mainly in euros. The river barges and railcars businesses operate mainly in euros in Europe and in US dollars in the United States. The business of leasing and selling shipping containers is international and denominated mainly in US dollars. Income is invoiced entirely in US dollars, while expenses are mostly denominated in US dollars, the remainder being invoiced in around 25 international currencies, since containers can be returned in any of 25 different countries.

At the close of 2005, the Group's balance sheet includes an estimated $19.3 million of dollar-denominated operating receivables and an estimated $29.3 million of operating liabilities.

The net balance of operating assets and liabilities is $10 million. In the event of a 1% fall in the value of the US dollar against the euro, the Group would record an estimated gain of €84,000.

With regard to long-term assets and liabilities, the Group's policy is to match fixed assets denominated in US dollars with loans denominated in US dollars, in order to avoid exposure to currency risk. The Group does nevertheless have one euro-denominated loan for an underlying asset denominated in US dollars. The residual balance of this loan is insignificant.

As previously stated, the Group has a Treasury department responsible for monitoring and managing market risks.

Equity risk

Equity risk relates to an adverse shift in the price of shares held by the Group.

The Group's investment strategy consists of the short-term placing of surplus funds in monetary UCITS mutual funds. The Group does not deal on the stock market.

The Group's equity portfolio is as follows:

	Portfolio of third-party shares or UCITS	Portfolio of own shares
Book value as at 31.12.2005	€757k	€105k
Market value as at 31.12.2005	€788k	€112k
Possible gains	€31k	€7k

The sensitivity of the Group's profits to a 10% fall in prices is insignificant, since the equity portfolio is negligible. The main investments are made in money market products.

Legal risk – disputes

When the company is involved in a dispute, a provision is created in cases where a charge is likely in accordance with article L. 123-20 paragraph 3 of the Commercial Code. It should also be noted that no dispute or arbitration is liable to have at present, and has not had in the recent past, a significant impact on the Group's financial situation, activity, profitability or the Group itself.

There are no significant disputes or cases of arbitration other than those mentioned in the sections below.

Shipping containers

As a result of the bankruptcy of a customer in the shipping containers business in 2001, the Group had received insurance payouts ($1.4 million) as compensation for part of the loss incurred. The insurers consider that the Group has been compensated by other third parties in respect of this loss. On the basis of a subrogation clause, the insurers are demanding the repayment of the compensation received. The Group is contesting this demand. The compensation received from other third parties covers risks which were not covered by the insurer. This compensation cannot therefore be taken into account in the context of the subrogation clause. Furthermore, a precise breakdown submitted to the insurers shows that the insurance payouts and the compensation sums paid by other third parties do not cover all of the claims. The Group therefore believes that no positive balance is available for redistribution. Consequently, no provision has been entered in the Group's financial statements. Legal proceedings have been instituted by the insurers and their legal representatives. No date has yet been set for the hearing of the case.

Modular buildings

Modular buildings are subject to building regulations and safety standards (e.g. labor law). Changes in these standards would result in upgrading costs payable by the Group. However, such upgrading would impact all of the operators in the modular buildings sector and would enable leasing rates to be partially revised.

A number of investors in GIE Modul Finance I have requested the members of the GIE and its financial arranger to provide an expert appraisal detailing the current situation of the GIE. It is not considered that this will have any impact on the Group.

River barges

The passage of river barges on a river is subject to the navigation regulations of the country to which the river belongs, or, if the river crosses several countries, of a commission made up of members in the countries concerned.

In addition to the administrative formalities associated with navigation authorizations, some countries (the USA in particular) consider rivers to be a "strategic defense" sector and subject foreign companies to special authorizations. These authorizations are liable to be modified by political decisions.

Regulations can also change, particularly with regard to safety, with new technical specifications being imposed on vessels. Such measures can result in substantial upgrading costs, or even make certain units obsolete (e.g. the requirement whereby oil tankers must have a double-bottomed hull). The Group is currently involved only in dry bulk transport, a sector which is less affected by new transport regulations.

Following the return of a leased convoy in France in 2003 comprising a pushboat and two barges, the Group has requested the customer to restore these vessels to their original condition. The customer is contesting this request, as a result of which proceedings have been instituted by and against TOUAX in order to resolve this dispute. For reasons of confidentiality, no sum can be disclosed.

In the Netherlands, the Group is owed a sum of €0.5 million following the resolution of a dispute with a customer. To date, no payment has been received. No amount has been recognized in the Group's financial statements.

Following the war in Kosovo, as a result of the embargo and the bombing of the bridges on the Danube, the Group suffered a large loss in Romania. The Group is currently pursuing lawsuits with a view to recovering the losses incurred. For reasons of confidentiality, the significant sums being sought cannot be disclosed.

Railcars

There are currently no known significant disputes affecting the railcars business.

Industrial and environmental risks

Economic risk

Shipping containers

The shipping container leasing market is highly competitive, with a large number of leasing companies, manufacturing plants, financing organizations, etc. The economic risk concerns the risk of losing customers due to a lack of competitiveness. On the basis of the quality of its customer base (23 of the top 25 international shipping operators are currently customers of the Group), the TOUAX Group considers that it provides high-quality services at competitive prices and that it therefore has significant strengths with which to confront the competition.

The quality of TOUAX's customer base also limits the risks of insolvency. The Group relies on daily contact with its customers and a reporting system with weekly analyses of its customer portfolio, enabling it to introduce preventive or corrective measures as necessary.

Modular buildings

The Group's modular buildings business mainly involves three distinct markets: building & public works, industry and local and regional authorities.

The building & public works market has strict rules defined by the large public works companies. These companies impose their rental prices and terms (framework contracts). They apply penalties when these rules are breached. The demand for modular buildings is closely linked to the mainstream building market. To limit its risks, the Group has on the one hand diversified to appeal to industry and local and regional authorities and on the other hand imposes the same rules on its own suppliers, thus passing on some of the risks to them.

The local and regional authorities market is regulated (invitations to tender, strict procedures, etc.). This market is very dependent on government policies and the budgets of local and regional authorities. The demand for modular buildings among these authorities relates mainly to classrooms, crèches and hospital extensions. The risk of a contraction of the market is limited by the term of the leasing contracts, which generally exceeds one year. Furthermore, the Group believes that demand among local and regional authorities will continue to grow.

The industrial market is closely linked to levels of investment. The demand for modular buildings is correlated to the cost and availability of office space and hence to the employment situation. The low cost of modular buildings compared to the costs of standard buildings means that growth in demand can be expected in the same way as for local and regional authorities.

The extent of this risk is analyzed by country on the basis of monthly reports on the customer portfolio.

Railcars

Growth in the freight railcar leasing business depends on the deregulation of rail operators. The Group believes that European countries will take further steps towards deregulation and privatization, thereby increasing the competitiveness of rail transport and the volumes transported.

Geopolitical risk

Shipping containers

The demand for containers depends on worldwide economic growth and international trade. Moreover, such demand fluctuates as a function of volumes of containerized traffic and available freight capacities. Geopolitical risk concerns the risk of cyclical recession and the risk of national protectionist measures (customs tariffs, import restrictions, government regulations, etc.). However, the Group believes that it has a low exposure to geopolitical risk, with more than 80% of its leasing contracts having an average term of three to five years and non-revisable leasing rates. The risk is managed by analyzing the breakdown into long- and short-term leasing contracts.

River barges

In the case of rivers which cross several countries (such as the Danube), there are risks concerning the navigation fee (tax) which is charged to the units by the country to which the portion of the river belongs.

Political risk

River barges

One of the main cargoes transported by river within Europe is coal. Coal transport is linked to the energy policies of the countries using river transport. A European country which changes its choices of energy supply by markedly reducing thermal energy in favor of other forms, such as nuclear, hydro, wind energy or any other form, could lead to overcapacity in river transport and therefore trigger a significant fall in freight volumes. To limit this risk, the Group intends to develop its activities in the area of river barge leasing and has diversified in respect of the materials carried (metals, fertilizers, cereals, cement, waste, etc.).

Railcars

The Group considers that a large-scale renewal of the freight railcar fleet is necessary due to the aging of the fleet, and that this renewal will take place with the support of the lessors. The railcar leasing market will therefore depend on government policies (combined road-rail transport, boosting of structural investment, etc.).

Environmental risk

Shipping containers

In some countries, notably the United States, the container owner may be liable for any environmental damage caused when the cargo is unloaded. The Group has effected insurance to cover such risks and requires its customers to do likewise. There are no significant past or present disputes relating to environmental risk, particularly since the Group does not operate tank containers.

The Group believes that its other activities are not subject to significant environmental risks.

Management risk

A significant part of the container, modular building and railcar fleet managed by the Group belongs to third-party investors or financial vehicles (special purpose entities) owned by institutional investors. The relations between each investor and the Group are governed by management contracts. The Group does not guarantee any minimum revenue. In certain circumstances, investors can terminate a management contract and demand that assets be transferred to another manager.

TOUAX has limited the risk of breach of management contracts by diversifying the number of investors. A summary of the fleet under management is drawn up each month. In the last twenty years, no investor has ever withdrawn the management of these assets from the Group.

The formation of financial vehicles (special purpose entities) has resulted in the Group setting up collateral deposits. The financial vehicles can draw on these deposits if the profitability generated by the investment programs proves insufficient. The collateral deposits are reconstituted if profitability improves. On the basis of profitability forecasts, the Group currently considers that it has no unprovisioned risk for loss of collateral deposits. This risk is monitored by means of six-monthly assessments of distributions to investors and daily monitoring of utilization rates and per diem unit revenues.

Termination clauses under management contracts vary depending on the program.

The main termination clauses are related to:

- grave breach of an obligation of the manager (such as proof of discriminatory management),
- bankruptcy of TOUAX as a manager, or its dissolution,
- non-payment by TOUAX of the revenues collected and owed to its various investors,
- change of majority shareholder.

In certain specific cases only (in particular securitization), termination may be caused by a poor performance by an investment whose management would have been entrusted to TOUAX.

Supply risk

The Group is not a manufacturer. In other words, the Group purchases the equipment which it leases. The Group may therefore find itself in a situation whereby it is unable to purchase new equipment rapidly when manufacturing plants no longer have sufficient order capacity. However, this risk is limited in time and only affects the growth of the Group, not the equipment already under lease.

Modular buildings

The Group may be liable if a subcontractor defaults, up to the limit of the insurance cover. To date, the

Group has never been held liable to any significant extent in such cases.

■ River barges

The fuel oil market may affect the competitiveness of river transport, either as a result of a shortage or as a result of an increase in the price of oil. The Group does not use any hedging instruments to cover changes in the oil price, but limits the risk by including indexation clauses in the majority of its transport contracts to follow changes in the price of refined products.

Climate risk

■ River barges

River navigation depends on climatic conditions: precipitation, drought and ice. When heavy rainfall affects certain rivers, water levels rise and reduce the clearance under bridges, limiting or preventing the passage of river barges. Drought leads to a fall in water levels, requiring loads to be reduced or even preventing the passage of river barges. Very harsh winters may mean that all of the fleet is immobilized until the ice melts.

Poor climatic conditions can also have an impact on the grain harvests in a country or region. The impact can be qualitative or quantitative, or even both. Poor quality grain or a fall in production volume will weaken export sales, leading to a fall in freight levels. This risk is limited as a result of the Group's diversified geographical presence. In addition, on the Danube the Group's activity focuses on waterways (such as canals) which are less susceptible to climate risk.

■ Railcars

The main climate risk for the Group is the flooding of a railcar. This would cause additional repair and maintenance costs up to the limit of the insurance cover.

Positioning risk and risk of loss of containers

Lessees sometimes return containers in regions where demand for containers is low (notably the United States). To cover such risks, the Group applies "penalties" (drop-off charges) when the containers are returned to regions of low demand. It is also developing a secondhand container sales department in order to reduce stocks in regions of low demand. Stocks of containers in depots are monitored on a daily basis and analyzed monthly. Containers can also be lost or damaged. The Group then bills its customers for the replacement value previously agreed in each leasing contract. This is always higher than the net book value. The risk of total loss is not covered if a customer becomes insolvent. On the other hand, all of the damage or losses associated with a natural disaster are covered, either by the customer's insurance or by the depot insurance.

Technical and quality risk applying to modular buildings

Modular buildings may be subject to technical obsolescence resulting from qualitative developments in competitors' equipment or changes in customer preferences (changes of taste). Additional costs are generated by research into quality materials. The Group invests in high-quality equipment which is ahead of existing standards and competing products, enabling it to minimize the additional costs of new materials.

Railcar subcontracting risk

The subcontracting risks mainly relate to problems caused by derailments and strikes affecting rail operators. In the event of a derailment, the Group's risk is limited to its share of the liability and to the insurance cover. In the event of a strike, only railcars in the process of being delivered are affected, and the customers continue to be billed as normal for the leased railcars.

Insurance – coverage of risks

The Group has a policy of systematically insuring its tangible assets and general risks. The Group has three kinds of insurance policy: insurance for equipment, operating public liability and the public liability of company officers.

The risk of loss or deterioration of the tangible assets of the modular buildings and river barges businesses is covered by equipment insurance. The insurance for the tangible assets of the shipping containers business and the railcars business is delegated to the Group's customers and suppliers (depots), in accordance with standard practice in the industry.

The operating losses consequent to the loss or deterioration of tangible assets are covered by the tangible asset insurance.

There is no captive insurance company.

The public liability insurance of the parent company, TOUAX SCA, covers material damage arising from its operations. The Group subsidiaries each have their own public liability insurance.

The public liability insurance for company officers covers the Group's managers (whether they are company officers or not) incurring liability for a professional fault committed within their directorial, managerial or supervisory activity, carried on with or without a mandate or power of attorney.

The Shipping Containers business has public liability insurance cover. The equipment is insured directly by the customers and depots in accordance with industry practice.

The modular buildings insurance guarantees the value of equipment generally, and in particular when the equipment is stored or on lease and where the customer has omitted to effect insurance for the term of the lease. This insurance covers in particular the risks of explosion, fire, hurricane, storm, collision, water damage, falls, theft, etc.

The river barges insurance covers damage, loss, third-party recourse and expenses resulting from any accident of navigation, explosion, fire or any instance of force majeure, specifically damage resulting from malfunctions of the propulsion or steering systems, mechanical breakdown, electrical damage, waterways, damage arising from poor stowage or loading, mooring risks, damage to structures, pollution risks, investigation costs, surveys, proceedings and legal fees. The insurance includes contractual public liability in respect of leased barges owned by third parties, cover for carrier's liability as defined by laws and regulations and cover for goods carried.

The nature of the cover and sums insured depend on the vessel and areas of operation. It should also be noted that war risks are covered in the case of vessels operating on the Danube.

The railcars business has public liability insurance cover. The equipment is insured directly by the customers and depots in accordance with industry practice.

History and evolution of the company

Business name and commercial name

TOUAX SCA
SGTR – CITE – CMTE – TAF – SLM
TOUAGE INVESTISSEMENT réunies

Place of registration and registration number

Registered office and administrative head office

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

Telephone: 01 46 96 18 00

Identification

Commercial and companies register:
Nanterre B 305 729 352
Siret number: 305 729 352 00099
APE: 741 J
Listed in Paris – Eurolist compartment C
Euronext Paris – Next Prime segment
ISIN code: FR0000033003
Reuters TETR. PA – Bloomberg TOUPFP equity

Date of incorporation and duration

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

Legal form and legislation

Legal form of the company

Partnership limited by shares

Financial year

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

Share capital

Since 6 February 2006, the company's capital has been composed of 3,885,519 shares of a par value of €8.

The capital is fully paid up.

Governing legislation

The partnership limited by shares is 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

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

Information policy

In addition to the annual report and publications in the Bulletin des Annonces Légales Obligatoires (BALO – the French bulletin of compulsory legal notices), the company distributes a half-yearly newsletter containing a segment-based analysis of revenues and key events during the period.

A financial communication agreement has been entered into with ACTUS FINANCE of 11, rue Quentin Bauchart 75008 – Paris – FRANCE.

The annual reports, press releases and half-yearly newsletters are available in French and English on the company's internet site (www.touax.com).

Important news which could have an impact on the share price is disseminated systematically by the press.

Persons responsible for the financial information

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Historical background

Cf. the paragraph entitled "Historical background page 2.

Investments

Main investments

The Group's activities involve the operational leasing of mobile and standardized equipment, shipping containers, modular buildings, river barges and rail-cars. It is necessary to invest in such equipment in order to lease it. The Group also carries out complementary activities, namely management for third-party investors. 80% 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 therefore based on the signing of new equipment leasing contracts with its customers, requiring new investments to be made either by third-party investors within management programs or by the Group using its own means of financing.

The Group's investment policy involves financing owned assets in such a way as to maintain a debt-to-equity ratio of 1 to 1. The Group also finances assets intended to be sold to investors on the basis of a 2-to-1 debt-to-equity ratio. The assets intended for sale are financed entirely by financial 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 is intended for sale.

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

The Group does not use financing tools for current assets such as "Dailly" assignment, factoring, securitization or assignment of receivables.

It should be noted that leasing contracts are classified as finance leases where 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 leasing contracts being considered as finance leases.

Net investments during financial years (€ thousands)	**2005**	**2004**
Net intangible investments	99	28
Net tangible investments	21,083	(12,285)
Net financial investments	381	(576)
Total net investments	**21,563**	**(12,833)**

Breakdown of net investments by business segment (€ thousands)	**2005**	**2004**
Shipping containers	(1,414)	(530)
Modular buildings	10,284	(11,638)
River barges	7,434	(1,037)
Railcars	4,725	319
Miscellaneous	534	53
Total	**21,563**	**(12,833)**

Financing conditions of net investments (€ thousands)	**2005**	**2004**
Treasury / borrowings	21,265	2,314
Leasing	6,694	(250)
Management contract with third-party investors	(6,396)	(14,897)
Total	**21,563**	**(12,833)**

Main current investments

Main investments made in 2005

(thousands)	Currency	Country	Investments	Sales of new equipment under management programs	Divestments	Net investments
Containers	USD	International	$9,007	$(8,373)	$(2,392)	$(1,759)
TOTAL CONTAINERS			7,240 €	(6,731)€	(1,923)€	(1,414)€
River	EUR	Europe	2,128 €		(1,875)€	253 €
River	USD	USA	$11,500		$(2,568)	$8,932
TOTAL RIVER			11,372 €	0	(3,939)€	7,433 €
Modules	EUR	France	13,138 €	(3,651)€	(6,293)€	3,194 €
Modules	EUR	Belgium	202 €		(52)€	150 €
Modules	EUR	Germany	1,400 €		(223)€	1,177 €
Modules	EUR	Poland	2,953 €		(40)€	2,913 €
Modules	EUR	Spain	762 €		0	762 €
Subtotal Europe			18,455 €	(3,651)€	(6,608)€	8,196 €
Modules	USD	USA	$2,665		$(66)	$2,599
TOTAL MODULES			20,597 €	(3,651)€	(6,661)€	10,285 €
Railcars	EUR	Europe	23,683 €	(18,686)€	(273)€	4,724 €
	USD	USA	$7,850	$(7,850)		
TOTAL RAILCARS			29,993 €	(24,996)€	(273)€	4,724 €
Sundry			1,061 €		(527) €	534 €
TOTAL SUNDRY			1,061 €	0 €	(527)€	534 €
TOTAL INVESTMENT			70,264 €	(35,378)€	(13,323)€	21,562 €
	Average EUR/USD rate		1.244			

The investments carried in the Group's balance sheet have been financed by means of the available credit lines.

Main investments made as at 31 March 2006

(thousands)	Currency	Country	Investments	Divestments	Net Investments	Orders outstanding as at 31.03.2006
Containers	USD	International	$581	$(251)	$330	$42 460
TOTAL CONTAINERS			483 €	(209)€	275 €	35,324 €
River	EUR	Europe	313 €	(526)€	(213)€	780 €
River	USD	USA			$0	$0
TOTAL FLUVIAL			313 €	(526)€	(213)€	780 €
Modules	EUR	France	5,010 €	(2,080)€	2,930 €	2,950 €
Modules	EUR	Belgium	14 €	(39)€	(25)€	- €
Modules	EUR	Netherlands	7 €		7 €	
Modules	EUR	Germany	367 €	(19)€	348€	2,510 €
Modules	EUR	Poland	1,175 €	(3)€	1,172 €	3,043 €
Modules	EUR	Spain	100 €	0 €	100 €	143 €
Subtotal Europe			6,673 €	(2,141)€	4,532 €	8,646 €
Modules	USD	USA	$704	$(104)	$600	$1,035
TOTAL MODULES			7,259 €	(2,228)€	5,031 €	9,507 €
Railcars	EUR	Europe	24 €		24 €	5,501 €
	USD	USA				
TOTAL RAILCARS			24 €	0€	24 €	5,501 €
Sundry			43 €	(5)€	38 €	0 €
TOTAL SUNDRY			43 €	(5)€	38 €	- €
TOTAL INVESTMENT			8,122 €	(2,967)€	5,155 €	51,113 €
	Average EUR/USD rate		1.202			

The investments carried in the Group's balance sheet have been financed by means of the available credit lines.

Firm investment commitments

Firm orders and investments as at 31 December 2005 amount to €21.7 million, including €0.3 million in respect of shipping containers, €4.5 million in respect of modular buildings, €6.1 million in respect of river barges and €10.8 million in respect of railcars.

Brief survey of activities

The TOUAX Group is an operating lessor of standardized, mobile equipment, comprising shipping containers, modular buildings, river barges and freight railcars. The Group manages its own equipment and manages equipment on behalf of third-party investors. Across its four business segments, the Group has the complementary activity of management on behalf of third parties. This management activity begins with the purchase of equipment by the Group, followed by the creation of a portfolio of leased equipment and the sale of the equipment to investors and finally the management of this portfolio on behalf of investors. The Group consequently generates leasing margins (own equipment), syndication margins (purchase and sale of equipment to investors), management margins (equipment under management) and trading margins (purchase followed by sale of equipment to customers).

The leasing revenues recorded by the Group include those generated from all the equipment managed by the Group, whether owned or under management. The Group acts as a principal and not as an agent. Similarly, the recognized operating expenses relate to all of the managed equipment.

The management margin corresponds to the leasing revenues from managed equipment less the operating expenses for that equipment and less the distribution of the resulting income to the investors. This management margin is equivalent to the Group's management commission.

Depending on the business segment, the syndication margin is either the margin on sales (sales less cost of sales) or the capital gain on disposal.

In the shipping containers business, the Group generates syndication margins and management and leasing margins. The creation and syndication of portfolios of shipping containers takes place rapidly (six months on average). The syndication margins are recorded in sales/cost of sales.

In the modular buildings business, the Group generates syndication margins, management and leasing margins and trading margins. The Group purchases and sells modular buildings to its customers and records trading margins (sales/cost of sales). The Group also invests in leasing equipment. The creation of portfolios of modular buildings and their syndication takes more than a year on average. The syndication margins are then recorded in capital gains on disposals.

In the river barges business, the Group carries out transport activities (on the Rhine and the Danube) and leasing activities (on the Mississippi, the Seine and the Rhône).

In the freight railcars business, the Group generates syndication margins, management and leasing margins and trading margins. The creation and syndication of a freight railcar portfolio takes place rapidly (six months on average). The syndication margins are recorded in sales/cost of sales. There are also trading margins, which are recorded in sales/cost of sales.

The capital gains generated on residual values of the Group's assets are always recorded in capital gains on disposals.

The businesses and markets are detailed in the preceding sections on pages 3 to 12 of the present document.

The breakdown of revenues by type of business and geographic region is detailed in the notes to the consolidated financial statements note 3 page 65.

Organigram

TOUAX ESPAÑA SA
Leasing and sale
of modular buildings
SPAIN 100%

TOUAX MODULES SERVICES SAS
Service company
for modular buildings
FRANCE 100%

TOUAX CAPITAL SA
Investment and equipment
management company
SWITZERLAND 100%

GOLD CONTAINER Gmbh
Leasing of storage
containers
GERMANY 100%

TOUAX CONTAINERS SERVICES SNC
Shipping container
service company
FRANCE 99%

TOUAX BV
Leasing and sale
of modular buildings
NETHERLANDS 100%

TOUAX SCA
Holding company and management
and operational leasing company
for river transportation and modular
building equipment

Listed in Paris – Eurolist compartment C
Euronext Paris in the Next Prime segment

TOUAX NV
Leasing and sale
of modular buildings
BELGIUM 100%

TOUAX Corp.
Investment and equipment
management company
USA 100%

EUROBULK TRANSPORT MAATSCHAPPIJ BV
River transportation
NETHERLANDS 100%

TOUAX RAIL INVESTMENT Ltd
Railcar investment
company
IRELAND 100%

TOUAX RAIL Ltd
Leasing and sale
of railcars
IRELAND 100%

MARCHTEN / THG MODULAR LEASING Corp / WORKSPACE PLUS D/B/A
Leasing and sale
of modular buildings
USA 100%

TOUAX FINANCE Inc
Investment company in
accordance with Trust 95
constitution
USA 100%

INTERFEEDER-DUCOTRA BV
River transportation
NETHERLANDS 77,14%

TOUAX RAIL ROMANIA SA
Leasing and sale
of railcars
ROUMANIE 57,5%

CFCL TOUAX LLp
Leasing and sale
of railcars
USA 51%

TOUAX LPG SA/IOV Ltd
River transportation
PARAGUAY 100%

TOUAX CONTAINER LEASE RECEIVABLES Corp.
Investment company in
accordance with Trust 98
constitution
USA 100%

CS DEJONGE BV
River transportation
NETHERLANDS 100%

SIKO CONTAINERHANDEL Gmbh
Leasing and sale
of modular buildings
GERMANY 100%

TOUAX RAIL FINANCE Ltd
Railcar investment
company
USA 100%

TOUAX LEASING Corp.
River transportation
USA 100%

TOUAX EQUIPMENT LEASING Corp.
Investment company in
accordance with Trust 01
constitution
USA 100%

EUROBULK BELGIUM BVBA
River transportation
BELGIUM 97,93%

SIKO POLSKA sp.z.o.o Gmbh
Leasing and sale
of modular buildings
POLAND 100%

GOLD CONTAINER FINANCE Corp.
Shipping container
investment company
USA 100%

GOLD CONTAINER Corp.
Leasing and sale of
shipping containers
USA 100%

TOUAX ROM SA
River transportation
ROMANIA 49% 51%

PORTABLE STORAGE SERVICES LLp
Leasing and sale of sto-
rage containers
USA 51%

100% Shipping containers
100% Modular buildings
100% River barges
100% Freight railcars
100% Holding and investment Company

Parent-subsidiary relationships

TOUAX SCA is an operational holding company. TOUAX SCA therefore records investments in its French and foreign subsidiaries and is itself economically active in the leasing and sale of shipping containers, modular buildings and river barges in France.

There is no operational Dependence between the companies of the Group.

Each subsidiary owns its own assets for leasing and sale. In 2005, TOUAX SCA acquired the 49% of the shares in its subsidiary TOUAX RAIL Ltd held by Almafin. TOUAX SCA now owns 100% of the company.

A list of subsidiaries is provided in the consolidated financial statements note 2.2 page 63.

The functions of the directors of TOUAX SCA in the Group's subsidiaries are stated in the Report of the Chairman of the Supervisory Board in note 1 page 52. An economic presentation of the Group is provided in the section entitled "Your operational leasing solution" page 3.

There is no significant risk to report relating to any notable influence by minority shareholders on the subsidiaries of the Group with regard to the financial structure of the Group, particularly concerning the location and association of assets, cash and financial debts due to the existence of agreements governing joint control.

To our knowledge there are no restrictions either on the passing on of cash from subsidiaries to the parent company or on the use of cash, with the exception of jointly controlled subsidiaries.

The figures relating to the significant parent-subsidiary relationships (apart from regulated agreements) are as follows:

List of current intragroup transactions concluded under normal conditions covered by article L.225-39 of the Commercial Code:

Services supplied to TOUAX	Insurance	IT and management expenses	Trading	Financial advances	Equipment leasing	Provision of personnel
EUROBULK TRANSPORTMAATSCHAPPIJ BV				na		
GOLD CONTAINER CORP		182				1,936
SIKO CONTAINERHANDEL GmbH				147		
SIKO POLSKA sp.z.o.o.			257	na	na	
TOUAX BV				na	na	
TOUAX CAPITAL SA				689		
TOUAX CONTENEURS SERVICES SNC	na	na				
TOUAX CORP				138		
TOUAX ESPAÑA SA					na	
TOUAX MODULES SERVICES SAS	na	na				
TOUAX NV				na		
TOUAX ROM SA	123				528	
TOUAX RAIL Ltd	na			na		397
TOUAX RAIL ROMANIA SA				na		
INTERFEEDER-DUCOTRA BV		na				na

Services received from	Financial advances	Equipment leasing	Telecoms	Gasoil	Transport	Repairs	Fees	Travel expenses	Provision of personnel
EUROBULK TRANSPORT MAATSCHAPPIJ BV	na		na		na		na		
GOLD CONTAINER CORP		1,409				na			
SIKO CONTAINERHANDEL GmbH						na	na		
TOUAX BV	135	na				na			
TOUAX CAPITAL SA	238		na						
TOUAX CONTENEURS SERVICES SNC									1,307
TOUAX CORP									
TOUAX ESPAÑA SA	na								
TOUAX MODULES SERVICES SAS		508		na		na			4,261
TOUAX NV								na	
TOUAX ROM SA					na				
TOUAX RAIL Ltd									
TOUAX RAIL ROMANIA SA									

The guarantees and other commitments given are as follows:

(€ thousands) Subsidiaries concerned	Financial institutions benefiting from the guarantee	Amount of guarantees granted in previous year and still in force	Amount of guarantees granted in 2001	Amount of guarantees granted in 2002	Amount of guarantees granted in 2003	Amount of guarantees granted in 2004	Amount of guarantees granted in 2005	Outstanding credit or guarantees granted (capital excl. interest)
GOLD CONT FINANCE	Fortis bank					$2,500		$167
SIKO POLSKA	Fortis Poland					9,000 zł		7,455 zł
SIKO	Fortis Lease					225 €		198 €
WORKSPACE	South Trust	$359						$254
	Unimat			$4,283				$2,672
	Bank of America						$3,018	$3,018
TOUAX ESPAÑA	Ing Lease		1,522 €					499 €
	Fortis Spain				1,500 €		411 €	1,180 €
	BBVA				250 €		300 €	310 €
	Banesto					175 €		38 €
TOUAX BV	KBC Lease				867 €			622 €
TOUAX NV	KBC Lease		716 €		187 €			508 €
	KBC Vendor Lease		744 €	250 €				219 €
Interfeeder Ducotra	Rabobank				600 €			582 €
EUROBULK	Rabobank	454 €			5,068 €			4,199 €
TOUAX MODULES SERVICE	Bail Ecureuil		3,089 €					1,511 €
TOUAX RAIL	Fortis Lease			4,093 €				2,105 €
	Slibail			3,113 €				2,526 €
TOUAX Leasing Corp	Bank of America Leasing & Capital						$11,500	$11,500
GOLD Container corporation	ABN Amro			$250				0
	Unimat	3,644 €						16,544 €
	Capital Equipement Finance	$2,183						$1,486
	Nordea	$8,000						$739
TOUAX Corp	Crédit Lyonnais					$3,500		0
Total Euros		**13,034**	**6,071**	**11,298**	**8,472**	**7,817**	**13,016**	**33,259**
Grant total of guarantees authorized								**59,710**

The main subsidiaries of TOUAX SCA are detailed in the table of subsidiaries and participating interests in the notes to the company financial statements, disclosed in the French original "document de reference".

The Group owns a significant subsidiary, GOLD Container Corporation, a company registered under the law of the United States. The key figures for this company are presented in the following table:

($ '000)	2005	2004	Variation
Net fixed assets	7,520	8,806	(1,286)
Shareholders' equity	18,913	15,728	3,185
Financial liabilities	2,245	3,559	(1,314)
Revenues	150,026	127,647	22,379
Operating income before distributions to investors	52,646	44,665	7,981
Operating income after distributions to investors	4,470	5,389	(919)
Net income	3,684	3,538	146

GOLD Container Corporation has distributed a dividend of $0.5 million to its parent company TOUAX Corp. This distribution, offset against the income for the year, is the main reason for the change in shareholders' equity. The decrease in financial debts is associated with the repayment of borrowings.

The significant rise in revenues and income is explained by the increase in sales and leasing revenues associated with the completion of new management programs.

Other significant facts concerning the other subsidiaries of the Group are as follows:

TOUAX BV is a Dutch operational holding company in the modular buildings business and has a Belgian subsidiary TOUAX NV.

Eurobulk Transport Maatschappij BV is a Dutch operational holding company in the river barges business and has the Dutch subsidiaries Interfeeder-Ducotra BV and CS de Jonge BV, a Belgian subsidiary Eurobulk Belgium BVBA and a Romanian subsidiary TOUAX Rom SA.

Siko Containerhandel GmbH is a German operational holding company in the modular buildings business and has a Polish subsidiary Siko Polska sp.z.o.o.

TOUAX Corp is an American holding company for the companies registered in the United States, and in particular Gold Container Corp (shipping containers), Marsten THG modular leasing Corp Workspace plus D/B/A (modular buildings) and TOUAX Leasing Corp (river barges).

TOUAX Rail Ltd is an Irish operational holding company in the railcars business and has an Irish subsidiary TOUAX Rail Finance Ltd, an American subsidiary CFCL TOUAX Llp and a Romanian subsidiary TOUAX Rail Romania SA.

Owned real estate, plant and equipment

Tangible and intangible fixed assets

The Group is an operating lessor of standardized mobile equipment. At present, the Group owns few intangible fixed assets (€114,000). It does, however, own significant tangible fixed assets (€103.5 million), representing the equipment owned and leased out by the Group (shipping containers, modular buildings, river barges and freight railcars).

Details of the tangible and intangible fixed assets are provided in the notes to the consolidated financial statements note 13 page 75 and note 14 page 76 .

Environmental policy

The environmental risks liable to have an impact on the assets or income of the company are not significant, since the Group primarily carries out a service activity. Consequently, no significant expenditure has been incurred in the following areas (Eurostat classification):

- protection of the atmosphere and climate,
- management of wastewater,
- waste management,
- protection and decontamination of soil, groundwater and surface water,
- combating noise and vibrations,
- protection of biodiversity and the countryside,
- protection against radiation,
- research and development,
- other environmental protection activities

The Group's environmental policy is based on three main strategies.

Rigorous land management

As a user of storage platforms, the Group has implemented an environmentally friendly system of land management:

- systematic analysis of land by core boring when a site is acquired,
- contact with local authorities to ensure better integration of the activities into the existing environment,
- careful compliance with existing legislation on rainwater and wastewater (particularly involving the use of water and hydrocarbon separators),
- the choice of simple architecture which is in harmony with the environment,
- the planting of green spaces including identified local species.

Identification and control of substances used

When maintenance work is carried out, the Group sometimes uses products such as paints, solvents, acid, etc. A procedure similar to that deployed with regard to risk prevention enables the components of the products used to be identified.

Such identification has improved the storage conditions but in particular the sorting and removal of waste and containers. Each site outsources the work to recognized, qualified waste treatment companies under specific contracts.

The railcars and river barges businesses also contribute to the environment by complying with the existing rules on the cleaning of containers.

The rationalization of working methods and risk prevention have raised awareness more specifically of waste management.

Optimization of transport vehicles

The Group optimizes the management of its truck fleet, thereby promoting respect for the environment by reducing carbon emissions into the atmosphere.

This is achieved by means of the following:

- regular checks of transport vehicles, lift trucks, railcars, pushboats and self-propelled vessels,
- outsourcing of transport to companies with very modern vehicles,
- rationalization of delivery/return transport in order to limit unnecessary journeys.

Generally, the maintenance of the Group's assets in good condition contributes to respect for the environment.

Examination of the financial position and result

Financial position

The examination of the financial position is presented in the management report page 119.

Operating result

The examination of the operating result is presented in the management report page 119.

Cash and capital

Capital of the Group

The Group's financial and cash resources are detailed in the notes to the consolidated financial statements section Note 20 page 79 and Note 22 page 81 with details of the liquidity risks page 17 and of the interest rate risks page 18.

Cash flow

The Group's cash flow is detailed and explained in the cash flow statement in the consolidated financial statements page 46.

Borrowing conditions and financing structure

The borrowing conditions and the financing structure are detailed in the notes to the consolidated financial statements page 81 with information on the liquidity risks page 17 and on the interest rate risks page 18.

The group uses a wide range of financing instruments to meet its financing requirements:

- Spot lines (364 days) and overdraft lines are used for isolated working capital financing requirements and for the prefinancing of assets (enabling substantial asset portfolios to be created prior to long-term financing or sale to third-party investors);
- Lines of revolving credit which can be drawn by means of bills are used for the prefinancing of assets;
- Medium- to long-term lines are used for the prefinancing of assets carried on the balance sheet of the Group;
- Leasing lines are also used for the financing of assets carried on the balance sheet of the Group.

Restriction on the use of capital which has or could have a significant direct or indirect influence on the operations of the issuer

To our knowledge there is no restriction either on the payment of cash from subsidiaries to the parent company or on the use of the Group's cash resources.

Expected sources of financing to meet investment commitments

The sources of financing are detailed in the firm investment commitments page 24.

Research and development, patents and licenses

The Group has no research and development activity.

Information on trends

Main trends up to the date of the registration document.

The main trends are detailed in the management report page 119.

Known trend, uncertainty or request or any commitment or event reasonably considered liable to have a significant effect on the current period.

The outlook is bright for the global economy. Global growth is expected to reach 4.9% in 2006 according to estimates by the International Monetary Fund published on 19 April 2006. The United States, China, India and Russia are the main drivers of this expansion. Japan and Europe are recovering. However, this dynamic growth trend remains under threat, in the longer term, from the accumulation of large government and trade deficits. There are numerous risks of a deterioration of the international environment: rising oil prices with a harmful effect on growth and potentially causing inflationary pressures, rising interest rates and volatile exchange rates, as well as an avian flu epidemic.

The global surplus of production capacity is decreasing and commodity prices are rising. The strong employment rates in the United States and Japan may lead to wage increases. Long-term interest rates may be tightened to keep inflation low. Rate rises in Europe and Japan may affect global capital flows seeking higher returns.

The major risk according to IMF is the imbalance in government and trade accounts. The reduction in the US trade deficit will involve a significant rebalancing of demand in all countries and a further substantial depreciation of the US dollar and an appreciation of currencies of countries in surplus.

Profit forecasts or estimates

This section contains guidance on the Group's targets for full-year 2006. The Group warns potential investors that these forward-looking statements depend on circumstances or facts which are expected to arise in the future. These statements do not involve historical data and must not be interpreted as guarantees that the stated events and data will arise or that the targets will be met. By their very nature, these targets may prove unattainable, and the projections on which they are based may prove erroneous. Investors should take account of the fact that certain risks described page 17 may have an impact on the Group's activities and on its ability to achieve its targets.

On the basis of continued global growth and international trade as described page 36 and the new investments following the capital increases of November 2005 and January 2006, the Group's target for full-year 2006 is growth of more than 30% in net income.

Main assumptions

The recent capital increase (November 2005) enabled the Group to increase its owned assets, to finance its growth and to acquire 100% of the railcar leasing business.

The main assumptions are as follows:

- The growth in the containerized traffic market is estimated at 10% (source: Clarkson Research Studies March 2006 & Containerisation International 2005). On this basis, the Group's target is to effect $75 million of investments on behalf of third parties in shipping containers and €10 million for the Group's own account and to continue to benefit from economies of scale.
- The modular buildings business shows sustained growth in Spain and Poland and recoveries in France, Germany and the Benelux countries (source TOUAX) for new equipment. In the United States, the outlook for growth in sales to local and regional authorities is positive. The Group's target is to effect almost €20 million of investments for its own account.
- The river barges business may be affected by external factors such as climatic conditions and oil prices. The assumptions do not take account of these external factors which may have a negative impact on results. No significant growth in the fleets is expected in 2006.
- As a result of the capital increase effected in November 2005, the Group once again became the owner of 100% of the railcars business in November 2005. The full consolidation of 100% of the business will automatically generate an increase in the Group's results in 2006. Furthermore, the target for the increase in the railcar fleets amounts to €40 million, including €10 million for the Group's own account.

Profit forecasts or estimates

Report of the statutory auditors - forecasts

For the attention of Messrs Fabrice and Raphaël Walewski,

In our capacity as Statutory Auditors and pursuant to Regulation (EC) 809/2004, we have prepared the present report on the forecasts for the results of TOUAX included in section "Profit forecast or estimates" of the 2005 reference document dated 9 june 2006.

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

It is our responsability, on the basis of our procedure to express an opinion, under the terms required by annex I, point 13.3 of Regulation (EC) 809/2004, on the appropriateness of the preparation of these forecasts.

We have conducted our work in accordance with the professional standards applicable in France. Our work included an assessment of the procedures established by the Management in order to prepare the forecasts and of the measures taken to ensure that the accounting methods used comply with those adopted for the preparation of the historical information of TOUAX. It also involved gathering the information and explanations we considered necessary in order to obtain reasonable assurance that the forecasts have been drawn up appropriately on the basis of the stated assumptions.

It should be recalled that, since forecasts are by their nature uncertain, actual results will sometimes differ significantly from the forecasts presented and that we will express no final view with regard to the realization of these forecasts.

In our opinion:

- The forecasts have been appropriately prepared on the basis indicated;
- The accounting methods used for the purposes of this forecast comply with the accounting methods applied by TOUAX.

This report has been issued for the sole purpose of the filing of the reference document with the AMF and may not be used in any other context.

Paris and Neuilly-sur-Seine, 9 june 2006

The Statutory Auditors

LEGUIDE NAÏM & ASSOCIES	DELOITTE & ASSOCIES
Paul NAÏM	Bertrand de FLORIVAL

Administrative, management and supervisory bodies

The administrative, management and supervisory bodies are presented in the Report of the Chairman of the Supervisory Board page 131 .

Remuneration and benefits

Remuneration paid to company officers

The company provides the managers with the equipment necessary for their work (cars, mobile telephones, computers, etc.).

The remuneration of the managers has been laid down in the articles of association since TOUAX was converted into a partnership limited by shares and any change requires the approval of the General Meeting of Shareholders. Prior to the conversion, the remuneration of the company officers was specified by the Remuneration Committee on the basis of the objectives set for them by the committee and the results of the Group.

The rules on the allocation of directors' fees are specified in the Report of the Chairman of the Supervisory Board page 131.

The company officers do not receive any recruitment or severance bonuses.

En 2005

(€ thousands)		Salaries, bonuses and all benefits in kind			
Name	Post	Fixed	Variable	Attendance at meetings	TOTAL
Serge Beaucamps	Member of SB			7.2	7.2
Jérôme Bethbeze	Member of SB			7.2	7.2
Thomas Haythe	Member of SB			5.1	5.1
Jean Louis Leclercq	Member of SB			7.2	7.2
Philippe Reille	Member of SB			6.7	6.7
Hugo Vanderpooten (ALMAFIN)	Member of SB			2.4	2.4
Alexandre Walewski	Chairman of SB		198.6	7.2	205.8
Fabrice Walewski	Manager	103.6	105.4	7.8	216.8
Raphaël Walewski	Manager	103.6	96.2	6.3	206.1

En 2004

(€ thousands)		Salaries, bonuses and all benefits in kind			
Name	Post	Fixed	Variable	Attendance at meetings	TOTAL
Serge Beaucamps	Director			7.5	7.5
Jérôme Bethbeze	Director			1.3	1.3
Thomas Haythe	Director			7.5	7.5
Jean Louis Leclercq	Director			5.5	5.5
Philippe Reille	Director			6.9	6.9
Hugo Vanderpooten (ALMAFIN)	Director			5.5	5.5
Alexandre Walewski	Director		200.0	6.9	206.9
Fabrice Walewski	Deputy CEO (Co-Chairman) Director	92.8	66.9	15.1	174.8
Raphaël Walewski	Chairman & CEO (Co-Chairman) Director	92.8	65.2	13.7	171.7

Pensions and other benefits

The Managers are provided with retirement benefit contracts (article 82).

The annual contribution paid in respect on the retirement benefit contracts provided for the managers amounts to €7,000 for the two contracts.

Operation of the administrative and management bodies

The operation of the administrative and management bodies is presented in the Report of the Chairman of the Supervisory Board page 130.

Employees

Composition of the workforce

The composition of the workforce by geographic region and business segment as at 31 December 2005 is as follows:

	Shipping containers	Modular buildings	River barges	Railcars	Central services	Total
Europe	22	131	119	7	25	304
Asia	3					3
United States	2	35			1	38
Total	27	166	119	7	26	345

Profit-sharing and stock options

The share subscription or purchase options and share subscription warrants granted by TOUAX SCA are detailed in the notes to the consolidated financial statements page 46.

Industrial relations policy

The Group has implemented three types of industrial relations measure in order to fulfill the requirements arising from its development.

Pragmatic, day-to-day dialogue with all stakeholders allows:

- optimization of industrial relations,
- a more effective response to the needs expressed,
- more rapid adaptation to developments while harmonizing personnel management practices.

This approach makes it easier to anticipate forthcoming cyclical and structural changes.

This dialogue takes place in respect for the rights of each of the parties concerned and in a spirit of openness and transparency. The decisions and actions resulting from this continuing dialogue are applied ethically.

This approach underpins the success of all the actions undertaken by the Group in the human resources area. The development of skills and internal mobility have become two pivotal features of human resource management. The skill development strategy takes into account the individual expectations of employees, their original skills and the current and future requirements of the Group.

The concerted implementation of individual training plans meets these different needs and is now one of the internal drivers of the development of the skills of the employees.

The individual training plans promote both the personal development of employees and internal mobility within the Group, which has become an active feature of personnel management in the last two years.

This policy plays a role in improving the motivation of all the employees and is now an established part of the corporate culture of TOUAX.

An active policy is pursued with regard to safety in order to fulfill the legal and regulatory obligations, but also in terms of prevention of occupational risks.

This policy is based on an expansion of work procedures. In order to obtain results, the Group has commissioned a safety audit and has implemented a preventive action plan, the key points of which are:

- raising awareness of the prevention of occupational risks among all employee groups,
- regular training on safety and first aid,
- the distribution of booklets on prevention and safety,
- the monitoring and checking of recommendations by the holding of bi-monthly meetings at the various sites,
- a system of internal reporting.

This practical, day-to-day policy generates human added value, which has a positive impact on the quality process and the commercial image of the Group.

Employee participation in the capital

The company does not publish a social report.

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

Main shareholders

Breakdown of share capital and voting rights

No category of share capital is without ownership. There is no treasury stock (TOUAX SCA shares held by its subsidiaries). The amount of TOUAX SCA shares owned by TOUAX SCA is not significant (*cf.* section on own shares held).

As at 31 December 2005	Number of shares	Number of votes	% of capital	% of vote
Alexandre COLONNA WALEWSKI	440,701	856,179	11.71 %	17.10 %
Fabrice COLONNA WALEWSKI	419,562	830,087	11.14 %	16.58 %
Raphaël COLONNA WALEWSKI	407,402	813,970	10.82 %	16.26 %
FCP Simbad Actions France	278,942	278,942	7.41 %	5.57 %
Public	2,218,312	2,226,354	58.92 %	44.48 %
TOTAL	**3,764,919**	**5,005,532**	**100.00 %**	**100.00 %**

As at 31 December 2005	Number of shares	Number of votes	% of capital	% of vote
Alexandre COLONNA WALEWSKI	415,478	830,956	14.64%	20.37%
Fabrice COLONNA WALEWSKI	410,526	821,051	14.46%	20.13%
Raphaël COLONNA WALEWSKI	406,985	813,970	14.34%	19.95%
ALMAFIN	175,999	175,999	6.20%	4.31%
Public	1,429,139	1,437,432	50.36%	35.24%
TOTAL	**2,838,127**	**4,079,408**	**100.00%**	**100.00%**

As at 31 December 2005	Number of shares	Number of votes	% of capital	% of vote
Alexandre COLONNA WALEWSKI	415,485	830,970	14.64%	20.51%
Fabrice COLONNA WALEWSKI	410,526	804,616	14.46%	19.86%
Raphaël COLONNA WALEWSKI	406,985	801,076	14.34%	19.78%
ALMAFIN	175,999	175,999	6.20%	4.34%
Public	1,429,132	1,438,276	50.35%	35.50%
TOTAL	**2,838,127**	**4,050,937**	**100.00%**	**100.00%**

As indicated in the above tables, TOUAX SCA is controlled by the Colonna Walewski family. The shares held by Fabrice Colonna Walewski and Raphaël Colonna Walewski have been divided into beneficial ownership and bare ownership. Fabrice Colonna Walewski and Raphaël Colonna Walewski have bare ownership. Alexandre Colonna Walewski has beneficial ownership. The beneficial owner retains the voting rights for the Ordinary General Meeting. The bare owner retains the voting rights for the Extraordinary General Meeting. Thus, Alexandre Colonna Walewski holds 50% of the voting rights for the Ordinary General Meeting. It should be noted that because of the division into beneficial ownership and bare ownership, Alexandre, Fabrice and Raphaël Colonna Walewski act in concert.

Shareholders	Breakdown of shares by type			Number of votes			% in OGM		% in EGM	
	Number of shares	shares ownership	Bare ownership	Total	Single voting rights	Double voting rights	In capital	Voting rights	In capital	Voting rights
Alexandre Colonna Walewski	440,701	440,701		856,179	25,223	415,478	32.63	48.58	11.71	17.10
Fabrice Colonna Walewski	419,562	25,672	393,890	830,087	9,037	410,525	0.68	0.85	11.14	16.58
Raphaël Colonna Walewski	407,402	13,095	393,890	813,970		406,985	0.35	0.52	10.82	16.26
Total majority group	1,267,665	479,468	787,780	2,500,236	34,260	1,232,988	33.66	49.95	33.67	49.95
Treasury stock	4,793	4,793					0.13		0.13	
FCP Simbad Actions France	278,942	278,942		278,942	278,942		7.41	5.57	7.41	5.57
Public	2,213,519	2,213,519		2,226,354	2,211,104	7,625	58.79	44.48	58.79	44.48
TOTAL	**3,764,919**	**2,976,722**	**787,780**	**5,005,532**	**2,524,306**	**1,240,613**	**100**	**100**	**100**	**100**

The existence of independent directors and the establishment of a Supervisory Board as part of the conversion of the company into a partnership limited by shares ensures that control is not exercised in an abusive manner. The Supervisory Board carries out continuous supervision of the management and presents a report to the general meeting on the conduct of the company's affairs and on the financial statements for the year.

Bearer shareholders holding more than 5% of the capital

In a letter dated 2 December 2005, Société Générale Asset Management declared that on 28 November 2005 the UCITS mutual fund Sogeactions Opportunités France (formerly SG France Opportunités), which it manages, had risen above the threshold of 5% of the voting rights of TOUAX and held 278,942 TOUAX shares, representing the same number of voting rights, i.e. 7.41% of the capital and 5.57% of the voting rights, following the exercise of equity warrants allocated free of charge by TOUAX to its shareholders.

In a letter dated 9 February 2006, Société Générale declared that on 3 February 2006 it had indirectly risen above the threshold of 5% of the capital of TOUAX following the subscription of TOUAX shares by its subsidiary Salvepar as part of a reserved capital increase and that it held indirectly through its subsidiary Salvepar 246,928 shares, representing the same number of voting rights, i.e. 6.355% of the capital and 4.815% of the voting rights.

In a letter dated 15 February 2006, Société Générale Asset Management declared that on 7 February 2006 it had fallen below the threshold of 5% of the capital and the voting rights of TOUAX and no longer held any TOUAX securities, following the transfer of the assets of the UCITS mutual fund Sogeactions Opportunités France resulting from the legal merger of this mutual fund with FCP Simbad Actions France.

In a letter dated 15 February 2006, Société Générale Asset Management declared that on 7 February 2006 it had risen above the threshold of 5% of the capital and voting rights of TOUAX and held 288,942 TOUAX shares, representing the same number of voting rights, i.e. 7.436% of the capital and 5.634% of the voting rights, following the legal merger of the UCITS mutual fund Sogeactions Opportunités France with FCP Simbad Actions France, managed by SGAM.

In a letter dated 6 March 2006, Société Générale Asset Management declared that on 3 March 2006 it had fallen below the threshold of 5% of the voting rights of TOUAX and held 253,942 TOUAX shares, representing the same number of voting rights, i.e. 6.536% of the capital and 4.952% of the voting rights, following a sale of shares in the market.

In a letter dated 24 March 2006, Société Générale declared that on 17 March 2006 it had risen above the threshold of 5% of the voting rights of TOUAX and held, directly and indirectly, through the companies Salvepar, Société Générale and SG Option Europe, 261,166 TOUAX shares, representing the same number of voting rights, i.e. 6.72% of the capital and 5.09% of the voting rights, following a purchase of shares in the market.

In a letter dated 6 April 2006, Société Générale declared that on 31 March 2006 it had fallen below the threshold of 5% of the voting rights of TOUAX and held directly and indirectly, through the companies Salvepar, Société Générale and SG Option Europe, 251,928 TOUAX shares, representing the same number of voting rights, i.e. 6.484% of the capital and 4.913% of the voting rights, following a sale of shares in the market.

As a result:

- On 3 March 2006, Société Générale Asset Management held, through funds which it manages, 253,942 TOUAX shares, representing the same number of voting rights, i.e. 6.536% of the capital and 4.952% of the voting rights;
- On 31 March 2006, Société Générale held, directly and indirectly through the companies Salvepar, Société Générale and SG Option Europe, 251,928 TOUAX shares, representing the same number of voting rights, i.e. 6.484% of the capital and 4.913% of the voting rights.

Double voting rights

Registered shares held for at least five years by the same shareholder carry double voting rights. Free shares allocated on the basis of old shares carrying double voting rights also benefit from double voting rights. This provision was adopted at the Combined General Meeting of 25 June 1998.

Limitation of voting rights

The company's shares carry no limitation of voting rights, except in the cases laid down by law.

Employee share scheme

TOUAX SCA has no employee share scheme.

Breakdown of shares

As at 31 December 2005, 34.39% of shares in TOUAX SCA were registered, the remainder being bearer. 35.4% of registered shares are held by non-French residents.

Number of shareholders

The company does not regularly request reports on identifiable bearer shares and therefore does not know the exact number of shareholders. The most recent such report was produced in September 1999, at which time there were 919 shareholders. At the last combined General Meeting of Shareholders (30 June 2005), 13 shareholders were present and the Chairman of the Board of Directors received 10 proxies.

Sundry matters – shareholder agreement

In order to take advantage of the Dutreuil Law, Messrs Alexandre, Fabrice and Raphaël Walewski announced the signing of a shareholder agreement dated 16 March 2006. Under the terms of this agreement, the signatories have undertaken to hold for an initial period of two years 1,203,258 shares representing 30.97% of the capital and 45.26% of the voting rights of the company. The undertaking will thereafter be extended automatically for successive periods of one month.

There is no form of potential capital other than that described in the notes to the consolidated financial statements Page 46.

Own shares held

As at 31 December 2005, the company held 4,793 of its own shares. These shares were acquired as part of the repurchase program approved by the AMF on 9 June 2005 under the no. 05-526 in order to:

- stabilize the market price of the company's shares by systematically intervening against the market trend;
- withdraw shares, subject to a resolution or authorization of the subsequent Extraordinary General Meeting;
- grant share purchase options to employees or directors of the TOUAX Group.

The transactions are summarized in the table below:

Declaration by TOUAX SCA of dealings in its own shares between 9 June 2005 and 31 March 2006	
Percentage of own capital held directly or indirectly	0.18%
Number of shares withdrawn during past 24 months:	0
Number of shares held in portfolio:	6,875
Book value of portfolio:	166,421.80
Market value of portfolio:	170,312.50

The only objective pursued has been that of stabilizing the company's share price by systematically intervening against the market trend.

The treasury stock held by the Group is carried at its acquisition cost as a deduction from shareholders' equity. The proceeds of the disposal of these securities are credited directly to shareholders' equity, in such a way that the capital gains or losses do not affect the consolidated result.

Liquidity agreement

A market-making agreement was entered into by TOUAX SCA and AUREL LEVEN on 22 January 2003. A liquidity syndicate was formed to carry out operations designed to facilitate the listing of TOUAX shares, their liquidity, market-making and the distribution of TOUAX capital.

A market-making agreement was entered into by TOUAX SCA and GILBERT DUPONT on 17 October 2005. A liquidity account was opened in order to conduct transactions with a view to promoting their liquidity and stabilizing the price of the TOUAX share.

Securities management – pure registered and administered shares

CICO Titres provides the share service for TOUAX SCA. This share service involves maintaining a list of pure registered and administered share accounts and handling all the related formalities. Further information can be obtained from CICO Titres, 4 rue des Chauffours, 95014 Cergy-Pontoise, France.

Related party transactions

There are no transactions conducted by the Group with related parties.

Consolidated financial statements

The consolidated financial statements of TOUAX SCA are presented in accordance with international standards (International Financial Reporting Standards – IFRS).

Consolidated income statement, presented by function as at 31 December

note n°	(€ thousands)	2005	2004 (1) (2)
	Leasing revenues	127,968	110,267
	Sales of equipment	93,926	70,227
	Commissions	98	89
4	TOTAL REVENUES	221,992	180,583
5	Capital gains on disposals	2,836	4,547
	Revenue from activities	224,828	185,130
	Cost of sales	(88,177)	(65,135)
	Operating expenses	(59,200)	(57,118)
	Selling, general and administrative expenses	(10,974)	(10,314)
	Overheads	(3,647)	(3,061)
	GROSS OPERATING MARGIN (EBITDA)	62,830	49,502
9	Depreciation and amortization	(7,523)	(5,795)
	OPERATING INCOME before distribution to investors	55,307	43,707
10	Net distribution to investors	(46,681)	(36,862)
	OPERATING INCOME after distribution to investors	8,626	6,845
	Financial income	1,651	1,228
	Financial expenses	(4,319)	(4,945)
11	FINANCIAL RESULT	(2,668)	(3,717)
	UNDERLYING PRETAX EARNINGS	5,958	3,128
12	Corporation tax	(2,318)	(337)
	NET INCOME FROM CONSOLIDATED COMPANIES	3,640	2,791
	Income from discontinued activities	0	0
	NET INCOME OF THE CONSOLIDATED GROUP	3,640	2,791
	Minority interests	442	386
	CONSOLIDATED NET ATTRIBUTABLE INCOME	4,082	3,177
	NET EARNINGS PER SHARE	1.40	1.12
	DILUTED NET EARNINGS PER SHARE	1.40	1.09

Consolidatd income statement, presented by type as at 31 December

note nº	(€ thousands)	2005	2004 [1] [2]
4	REVENUES	221,992	180,583
5	Capital gains on disposals	2,836	4,547
	Revenue from activities	224,828	185,130
6	Purchases and other external expenses	(147,802)	(124,372)
7	Personnel expenses	(14,643)	(11,550)
8	Other operating income and expenses	549	(681)
	GROSS OPERATING PROFIT	62,931	48,527
	Operating provisions	(101)	975
	GROSS OPERATING MARGIN (EBITDA)	62,830	49,502
9	Depreciation and amortization	(7,523)	(5,795)
	OPERATING INCOME before distribution to investors	55,307	43,707
10	Net distributions to investors	(46,681)	(36,862)
	OPERATING INCOME after distribution to investors	8,626	6,845
	Financial income	1,651	1,228
	Financial expenses	(4,319)	(4,945)
11	FINANCIAL RESULT	(2,668)	(3,717)
	PRETAX UNDERLYING EARNINGS	5,958	3,128
12	Corporation tax	(2,318)	(337)
	NET INCOME FROM CONSOLIDATED COMPANIES	3,640	2,791
	Result of discontinued activities	0	0
	NET INCOME OF THE CONSOLIDATED GROUP	3,640	2,791
	Minority interests	442	386
	CONSOLIDATED NET ATTRIBUTABLE INCOME	4,082	3,177
	Net earnings per share	1.40	1.12
	Diluted net earnings per share	1.40	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 are provided in order to explain the impacts of the transition to IFRS on the income statement as at 31 December 2004 in note 28 Impact of IFRS. This information is included in the notes to the consolidated financial statements note 28 page 97.

(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 note 1.17 page 58 and the corresponding figures are set out in the statement of changes in shareholders' equity.

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). These items are detailed in the notes to the consolidated financial statements note 8 page 71.

CONSOLIDATED BALANCE SHEET as at 31 December

note nº	(€ thousands)	2005	2004 (1)
	ASSETS		
13	Goodwill	7,142	2,644
	Net intangible fixed assets	114	51
14	Net tangible fixed assets	103,547	74,046
15	Long-term financial assets	8,335	11,128
16	Other non-current assets	1,199	1,116
26	Deferred tax assets	2,174	3,248
	Total non-current assets	**122,509**	**92,233**
17	Inventories and work in progress	10,536	13,033
18	Trade debtors	35,251	28,094
19	Other current assets	11,924	14,092
20	Cash and cash equivalents	26,071	32,154
	Total non-current assets	**83,782**	**87,373**
	Assets intended for disposal	0	0
	TOTAL ASSETS	**206,291**	**179,606**
	LIABILITIES		
	Share capital	30,119	22,705
	Reserves	22,188	7,986
	Attributable income for the period	4,082	3,177
	Group shareholders' equity	**56,389**	**33,868**
	Minority interests	(167)	146
21	**Total shareholders' equity**	**56,222**	**34,014**
22	Borrowings and financial debt	48,132	42,391
26	Deferred tax liabilities	1,196	729
	Pension and similar liabilities	151	153
23	Other long-term liabilities	5,291	8,155
	Total non-current liabilities	**54,769**	**51,428**
	Provisions for risks and charges	215	267
22	Current bank facilities and borrowings	43,315	30,271
24	Trade creditors	24,369	35,776
25	Other liabilities	27,401	27,850
	Total current liabilities	**95,300**	**94,164**
	Liabilities intended for disposal	0	0
	TOTAL LIABILITIES	**206,291**	**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 IFRS balance sheet as at 31 December 2004 are described in note 29 Impact of IFRS, together with the explanations required in order to understand the differences as compared to the consolidated balance sheet of 31 December 2004 published under French GAAP. This information is included in the notes to the consolidated financial statements note 28 page 97. 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 decided not to apply the IFRS standards to financial instruments in the preparation of the 2004 comparative data, 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 IFRS and French GAAP are described in the notes to the consolidated financial statements note 1.17 page 58 and the corresponding figures are set out in the statement of changes in shareholders' equity.

Statement of changes in consolidated shareholders' equity

(€ thousands)	Number of shares	Share capital	Premiums	Consolidated reserves	Reserves for changes in the fair value of derivative financial instruments (SWAPS)	Net income for the period	Total shareholders' equity of the Group	Minority interests	Total shareholders' equity
Situation as at 1 January 2004	2,838,137	22,705	3,144	7,364			33,213	684	33,897
Dividends paid				(1,710)			(1,710)		
Translation difference				(484)			(484)		
Change in Group structure and sundry items				(297)			(297)		
2004 result						3,177	3,177		
Treasury stock				(31)			(31)		
Situation as at 31 December 2004	2,838,137	22,705	3,144	4,842	0	3,177	33,868	146	34,014
Impact of first-time application of IAS 32/39				(348)	(97)		(445)		
Situation as at 1 January 2005	2,838,137	22,705	3,144	4,494	(97)	3,177	33,423	146	33,568
Capital increase	926,792	7,414	10,675				18,089		
Change in fair value of derivative financial instruments					49		49		
2004 net income				3,177		(3,177)	0		
Dividends paid				(1,703)		0	(1,703)		
2005 Income				0		4,082	4,082		
Translation difference				2,496		0	2,496		
Change in Group structure and sundry items				25			25		
Treasury stock				(73)			(73)		
Situation as at 31 December 2005	3,764,929	30,119	13,818	8,416	(47)	4,082	56,389	(167)	56,222

Consolidated cash flow statement as at 31 December

	(€ thousands)	2005	2004
	Consolidated net income (including minority interests)	3,641	2,791
	Depreciation and amortization	7,524	5,670
	Net transfers to provisions (excluding those associated with current assets)	1,598	713
	Capital gains and losses on disposals	(2,836)	(4,547)
	Cash flow after cost of net financial debt & tax	9,927	4,627
	Cost of net financial debt	3,249	3,297
	Current tax charge	407	294
	Cash flow after cost of net financial debt & tax	13,583	8,218
	Taxes paid	(407)	(294)
A	Change in operating working capital requirement	(15,554)	(661)
	I – CASH FLOW GENERATED BY OPERATING ACTIVITIES	**(2,378)**	**7,263**
	Investing activities		
	Acquisition of fixed assets	(54,851)	(19,159)
	Net change in financial fixed assets	(381)	569
	Income from asset disposals	28,450	28,014
B	Change in investing working capital requirement	3,488	976
	Closing cash position of subsidiaries entering or leaving the Group	0	6
	Impact of changes in Group structure	(8,454)	
	II – CASH FLOW GENERATED BY INVESTING ACTIVITIES	**(31,748)**	**10,406**
	Financing activities		
	Net change in financial debt	9,305	(4,859)
	Net increase in shareholders' equity	18,014	0
	Cost of net financial debt	(3,249)	(3,298)
	Distribution of dividends	(1,703)	(1,710)
	III – CASH FLOW GENERATED BY FINANCING ACTIVITIES	**22,367**	**(9,867)**
	Impact of changes in exchange rates	2,305	(1,361)
	IV – CASH FLOW ASSOCIATED WITH CURRENCY DIFFERENCES	**2,305**	**(1,361)**

		2005	2004
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	(9,454)	6,441
	Analysis of the change in the cash position		
	Cash position at start of period	29,590	23,149
	CASH POSITION AT END OF PERIOD	20,136	29,590
	Change in net cash position	(9,454)	6,441

	(€ thousands)	2005	2004
A	Change in operating working capital requirement		
	Inventories and work in progress	6,923	(9,455)
	Change in trade debtors	2,752	(7,981)
	Other current assets	2,396	(5,938)
	Trade creditors	(17,383)	10,237
	Other liabilities	(10,242)	12,476
	Change in operating working capital requirement	(15,554)	(661)
B	Change in investing working capital requirement		
	Receivables in respect of fixed assets & related accounts	804	497
	Liabilities in respect of fixed assets & related accounts	2,684	479
	Change in investing working capital requirement	3,488	976

As at 31 December 2005, the cash outflows generated by operating activities amounted to €2.4 million, a rise of €9.6 million compared to 31 December 2004. This rise is due mainly to the increase in the change in the working capital requirement of €14.9 million detailed in the table above. The increase in the working capital requirement is mainly due to payments to suppliers of equipment (particularly shipping container manufacturing plants), the receipt of sales proceeds for such equipment having been recorded mainly in the previous year.

The cash outflows associated with investment activities amounted to €31.7 million, a rise of €42.2 million compared to 31 December 2004. This financing requirement is mainly due to the fact that investments were €35.7 million higher in 2005 (€54.9 million) compared to 2004 (€19.2 million) and that the increase in proceeds of asset disposals was lower at €0.5 million. The acquisition of the shares of the TOUAX Rail group had an impact of -€8.5 million on the cash flows from investment operations.

The cash inflows associated with financing activities amounted to €22.4 million, a rise of €32.2 million compared to 2004. This rise corresponds to new lines financing contracted in 2005 and the increase in the capital of the parent company TOUAX SCA carried out during the second half of 2005.

The cash flows associated with changes in exchange rates amounted to €3.7 million in 2005, compared to 2004, mainly due to the rise in the value of the dollar.

The investment operations of €31.7 million and the cash outflows generated by operating activities amounting to €2.4 million were financed by financing flows of €22.4 million, foreign exchange flows of €2.3 million and cash of €9.5 million.

Notes to the consolidated financial statements

note 1. Accounting principles and methods

note 1.1. Bases for the preparation and presentation of the full-year financial statements as at 31 December 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 is publishing 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 approved in the Regulations of the European Commission dated 31 December 2005.

Standard IFRS 1 provides for possible exemptions from the principle of retrospective application of IFRS to the date of transition. The TOUAX Group has decided to make use of the following exemptions:

- business combinations: standard IFRS 3 has not been applied retrospectively to past business combinations.
- accumulated amount of translation differences: the accumulated amount of translation differences for all activities outside France is deemed to be zero at the date of transition to IFRS.

The principles applied for the production of the IFRS opening balance sheet as at 1 January 2004, the differences as compared to the French GAAP previously applied and their precise impacts 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" included in the reference document of the TOUAX Group filed on 3 June 2005 under the number D 05-820 and referred to in the notes to the consolidated financial statements note 28 page 97. No significant modification is currently required to the data published therein. These data are reproduced for comparison purposes in the present 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 the notes to the consolidated financial statements note 1.17 page 58.

It should also be noted that the financial statements for the years 2004 and 2003 are presented under French GAAP in the reference document of the TOUAX Group filed on 3 June 2005 under the number D 05-820.

The annual financial statements as at 31 December 2005 and the accompanying notes were prepared by the Management Board of TOUAX SCA on 29 March 2006 and were presented to the Supervisory Board on the same day.

note 1.2. General valuation principles

The consolidated financial statements of the Group are prepared on a historical cost basis, except in the case of derivative financial instruments and certain financial assets, which have been valued at fair value (*cf.* § note 1.17.2).

note 1.3. Use of estimates

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

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

The accounts and information based on significant estimates relate in particular to tangible fixed assets, goodwill, financial assets, derivative financial instruments, Inventories and work in progress, provisions for risks and charges and deferred taxes.

note 1.4. Consolidation methods

The Group's annual financial statements include those of TOUAX SCA and its subsidiaries covering the period from 1 January to 31 December 2005.

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

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.* notes to the consolidated financial statements note 1.6 page 53).

A list of companies included in the scope of consolidation appears below in the notes to the consolidated financial statements note 2 page 63.

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

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

note 1.5. Translation of foreign currencies

note 1.5.1. 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.

note 1.5.2. Translation of transactions in foreign currencies

Transactions in foreign currencies effected 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.

note 1.6. Accounting for asset securitization transactions

Asset securitization transactions have been effected in the "Shipping Containers" business with the creation of the trusts CLR 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 operating 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 to the consolidated financial statements note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95).

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 to the consolidated financial statements note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95).

note 1.6.1. 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 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 the 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 sections, the Group's financial risks relating to GIE Modul Finance I are limited to the collateral deposits, loans and other advances as presented in the notes to the consolidated financial statements note 27.6 page 89. These collateral deposits have been provided for in full in the Group's accounts. These risks are not significant having regard to the value of the equipment. There are also operational risks associated with the consequences of defaults in the GIE which could give rise to the loss of management of the modular buildings fleet belonging to the GIE.

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.

note 1.6.2. Trust CLR 95

a) The 1995 Trust does not exist for the specific operational needs of the Group. 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, in respect of which provisions have been created. 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 the notes to the consolidated financial statements note 27.7 page 91. 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.

note 1.6.3. 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 the notes to the consolidated financial statements note 27.8 page 92. These collateral deposits and other advances have been provided for in part in the Group's accounts. These risks are not significant having regard 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 did 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.

note 1.6.4. 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 the notes to the consolidated financial statements note 27.9 page 95. 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.

note 1.7. 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. The initial allocation may be revised within a period of twelve months.

Under IFRS 3 "Business combinations", goodwill is not 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) is at least equal to its net book value (*cf.* notes to consolidated financial statements note 1.10. Page 56). 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.

note 1.8. Intangible fixed assets

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

note 1.9. Tangible fixed assets

note 1.9.1. 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 in 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.* notes to consolidated financial statements note 1.10 Page 56).

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.

note 1.9.2. Component 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 approach applies particularly to the "River barges" business. The acquisition price of the pushboats is broken down between the hull and the engine, in order to depreciate engines over a useful life which generally does not exceed 10 years.

note 1.9.3. 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.

Equipment acquired secondhand 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 (some 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.

note 1.10. 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 segment of the Group's activity within the meaning of IAS 14 (*cf.* notes to the consolidated financial statements note 1.21 Page 61) and in geographic regions 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.

note 1.11. Leasing contracts

As a result of its operational leasing activities (for its customers) and in the context of the assets administered under pool contracts with investors (*cf.* § note 1.6, § note 1.19, and § note 1.19.2), the Group enters into numerous leasing 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 finance leases according to the criteria set out in IAS 17. The sums paid to investors are stated in net revenues distributed to investors (*cf.* notes to consolidated financial statements 1.19.7 Page 61).

Leasing contracts entered into with customers are analyzed in the light of the criteria set out in IAS 17. They are operating leases, both in the case of those (the majority) which are short- or long-term operating leases and in the case of certain lease-purchase contracts which are refinanced 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.* notes to the consolidated financial statements note 1.19.2 page 60) are stated in revenue on a straight-line basis over the term of the leasing 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 and 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.* notes to the consolidated financial statements 1.19 Page 60). They are tested for impairment in accordance with IAS 36 "Impairment of Assets" (*cf.* notes to the consolidated financial statements 1.10 Page 56).

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 operating leases. Payments in respect of these contracts are stated in expenses on a straight-line basis over the term of the contract.

note 1.12. Inventories

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

Inventories 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.

note 1.13. Provisions for risks 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.

note 1.14. Pension and similar liabilities

The Group's pension liabilities relate only to retirement benefits for employees of French companies. The Group has no liability within any other significant defined-benefit scheme, nor in any defined-contribution scheme.

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

note 1.15. Non-current long-term liabilities

In the shipping containers business, 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.* notes to the consolidated financial statements note 1.6 page 53, note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95).

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, associated with the collateral deposits and liquidity reserves, are deferred and entered in non-current long-term 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 non-current long-term liabilities and will only be entered in income when the associated economic benefits become probable for the Group (*cf.* notes to the consolidated financial statements note 1.6 page 53, note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95).

Deferred commissions are discounted at the same rates and at the same dates as the underlying financial assets note 1.17.2 page 58).

Where it appears that part of the deposits and reserves will not be recoverable (particularly when the net income distributed is insufficient), this part is written down in the Group's financial statements. Consequently, the deferred initial commissions associated with these deposits and reserves are cancelled and taken back to the income statement (*Cf.* note 15 page 77).

note 1.16. 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 stated directly as an increase in shareholders' equity, in such a way that the capital gains or losses do not affect the consolidated result.

note 1.17. Financial instruments

note 1.17.1. Impact 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 annual financial statements as at 31 December 2005 has limited impacts:

• Changes in the fair value of interest rate swap contracts on Group borrowings have been measured and recognized (*cf.* notes to the consolidated financial statements 1.17.4 page 59);

• 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.* notes to the consolidated financial statements note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95) 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.* notes to the consolidated financial statements note 1.6 page 53, Note 1.15 page 57, note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95).

The impacts of the application of standards IAS 32 and 39 as at 1 January and 31 December 2005 are stated in figures in the statement of changes in shareholders' equity.

note 1.17.2. 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.* notes to the consolidated financial statements note 1.6 page 53, note 1.15 page 57, note 27.6 page 89, note 27.7 page 91, note 27.8 page 92 and note 27.9 page 95), equity securities of non-consolidated companies, commissions receivable in respect of GIE Modul Finance I;

• Current financial assets including trade receivables and other operating receivables, cash and cash equivalents (short-term investments).

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

Short-term investments 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.

note 1.17.3. Cash and cash equivalents

The "Cash" item in the balance sheet comprises the balances of current bank accounts and shares in cash UCITS mutual 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.

note 1.17.4. 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.

note 1.17.5. 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 currency risks incurred are low, with operating activities being organized in such a way that the assets and liabilities, revenue 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.

note 1.18. 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 consolidation 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 or 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.

note 1.19. Revenue and expenses of activities

note 1.19.1. Revenue from activities: the various components

The Group is an operating 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.* notes to the consolidated financial statements note 1.19.2 page 60 and note 1.19.3 page 61).

The Group also has trading activities (purchasing of assets with a view to resale – *cf.* notes to the consolidated financial statements note 1.19.4 page 61).

Finally, it may resell to investors or to third-party customers equipment which it previously owned (capitalized equipment) and leased to customers (*cf.* notes to the consolidated financial statements note 1.19.5 page 61).

note 1.19.2. 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 the notes to the consolidated financial statements note 1.6 page 53) 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.* notes to the consolidated financial statements note 1.19.7 page 61).

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 Leasing 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:* 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:* 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 The Cronos Group), 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.

note 1.19.3. Leasing revenues

The leasing revenues comprise revenues from the leasing of equipment managed on behalf of third parties 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.

note 1.19.4. 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 inventories at the end of the period (*cf.* notes to the consolidated financial statements note 1.12 page 57).

note 1.19.5. 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.

note 1.19.6. Net transfer to operating provisions

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

note 1.19.7. Net distributions to investors

Revenues and operating expenses of pools of investors (*cf.* notes to the consolidated financial statements note 1.19.2 page 60) 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.

note 1.20. 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.* notes to the consolidated financial statements note 1.10 page 56).

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

note 1.21. 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 eco-

nomic 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."

The geographic segments depend on the location of the markets and correspond to the location of the assets.

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. The location of the markets corresponds to the location of the assets. Under the terms of standard IAS 14, the geographic regions in the shipping containers business correspond to the location of the assets. 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 Leasing contracts in existence as at 31 December 2005, containers may arrive at ports in over 100 countries throughout the world. Consequently it is impossible to separate the revenues and assets of the shipping containers business by geographic region within the meaning of standard IAS 14. The shipping containers business is classified in the international zone.

note 2. Scope of consolidation

note 2.1. Changes in the scope of consolidation

Number of consolidated companies	2005	2004
French companies	3	3
Foreign companies	27	27
TOTAL	**30**	**30**

The shares in TOUAX Rail Ltd held by Almafin, representing 49% of the voting rights, and the shares in Almafin Rail Investment Ltd, representing 51% of the voting rights, were acquired by TOUAX SCA on 30 November 2005. 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 no longer under joint control and have consequently been fully consolidated since 30 November 2005.

These companies are controlled 100%. For the record, these companies were proportionally consolidated up to 30 November 2005.

This acquisition has an impact of €10,977,000 on revenues and of €750,000 on the result.

If the acquisition had taken place on 1 January 2005, the Group's revenues and result would have been €229,923,000 and €4,586,000 respectively, compared to €221,992,000 and €4,083,000 according to the consolidated financial statements.

note 2.2. List of consolidated companies in 2005

Company name	Address	Control percentage	Consolidation method
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)		
CFCL TOUAX Llp Railcar investment, leasing and sales company	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	51%	FC
CS DE JONGE BV River transportation company	Amstelwijckweg 15 3316 BB DORDRECHT (NETHERLANDS)	100%	FC
EUROBULK BELGIUM BVBA River transportation company	BC Leuven zone 2 – Interleuvenlaan – 62 Bus 10 B3001 LEUVEN (BELGIUM)	97.9346%	FC
EUROBULK TRANSPORTMAATSCHAPPIJ BV River transportation and equipment management company	Amstelwijckweg 15 3316 BB DORDRECHT (NETHERLANDS)	100%	FC
GOLD CONTAINER Corporation Shipping container investment, leasing and sales company	169E Flager Street – Suite 730 MIAMI, FL 33131 (USA)	100%	FC
GOLD CONTAINER FINANCE Llc Shipping container investment company	169E Flager Street – Suite 730 MIAMI, FL 33131 (USA)	100%	FC
GOLD CONTAINER GmbH Modular building leasing and sales company	Lessingstrasse 52 – Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100%	FC
INTERFEEDER-DUCOTRA BV River transportation company	Amstelwijckweg 15 3316 BB DORDRECHT (NETHERLANDS)	77.1359%	FC
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%	FC
PORTABLE STORAGE SERVICES Llc Shipping container investment, leasing and sales company	169E Flager street – Suite 731 MIAMI, FL 33131 (USA)	51%	FC
SIKO CONTAINERHANDEL GmbH Modular building investment, leasing and sales company	Lessingstrasse 52 – Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100%	FC
SIKO POLSKA Sp.z.o.o Modular building investment, leasing and sales company	21 Limbowa St – 80-175 GDANSK (POLAND)	100%	FC
TOUAX BV Modular building investment, leasing and sales company	Graanweg 13 (Havennr M240) 4782 PP MOERDIJK (NETHERLANDS)	100%	FC
TOUAX CAPITAL SA Investment company	C/O Progressia – 18 rue Saint Pierre 1700 FRIBOURG (SWITZERLAND)	99.99%	FC

Company name	Address	Control percentage	Consolidation method
TOUAX CONTAINER LEASE RECEIVABLES Corporation Investment company in accordance with the 1998 Trust constitution	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	100 %	FC
TOUAX CONTENEURS SERVICES SNC Service company for the shipping containers business	Tour Arago – 5, rue Bellini 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100%	FC
TOUAX Corporation Investment and holding company for equipment leasing and transport companies	801 Douglas Avenue – Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100%	FC
TOUAX EQUIPMENT LEASING Corporation Investment company in accordance with the 2000 Trust constitution	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	100%	FC
TOUAX ESPAÑA SA Modular building investment, leasing and sales company	P.I Cobo Calleja – Ctra. Villaviciosa a Pinto, Km 17800 28947 FUENLABRADA – (SPAIN)	100%	FC
TOUAX FINANCE Incorporated Investment company in accordance with the 1995 Trust constitution	Lockerman Square, Suite L 100 DOVER, DELAWARE 19901 – (USA)	100%	FC
TOUAX LEASING Corporation Société de transport fluvial	801 Douglas Avenue – Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100%	FC
TOUAX LPG SA and IOV LTD River transportation company	Benjamin Constant 593 ASUNCION (PARAGUAY)	100%	FC
TOUAX MODULES SERVICES SAS Service company for the modular buildings business	Tour Arago – 5, rue Bellini 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100%	FC
TOUAX NV Modular building investment, leasing and sales company	Staatsbaan 4 C/1 bus 4 3210 LUBBEEK (BELGIUM)	100%	FC
TOUAX RAIL Ltd Railcar investment, leasing and sales company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	100%	FC
TOUAX RAIL FINANCE Ltd Railcar investment company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	100%	FC
TOUAX RAIL INVESTMENT Ltd Railcar investment company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	100%	FC
TOUAX ROM SA River transport company	Cladire administrativa Mol 1S, Étage 3 CONSTANTA SUD-AGIGEA (ROMANIA)	99.9978%	FC
TOUAX RAIL ROMANIA SA Railcar investment, leasing and sales company	Cladire administrativa Mol 1S, Étage 3 CONSTANTA SUD-AGIGEA (ROMANIA)	57.4996%	FC

FC = full consolidation

note 3. Segment information

note 3.1. Income statement by business segment

31 December 2005 (€ thousands)	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Eliminations	Total
Leasing revenues	53,813	36,592	31,031	6,542	130		(140)	127,968
Leasing revenues	61,072	8,686	1	24,167				93,926
Commissions	48			50				98
TOTAL REVENUES	114,933	45,278	31,032	30,758	130		(140)	221,992
Capital gains on disposals	101	1,426	475	611	223			2,836
Revenue from activities	115,034	46,704	31,507	31,369	353		(140)	224,828
Cost of sales	(58,371)	(7,118)	(1)	(22,686)				(88,177)
Operating expenses	(8,395)	(24,614)	(23,748)	(2,452)	(42)		51	(59,201)
Selling general and administrative expenses	(3,688)	(3,987)	(2,750)	(636)	(2)		89	(10,974)
GROSS OPERATING MARGIN (EBITDA)	44,579	10,985	5,008	5,595	310			66,476
Depreciation and amortization	(1,050)	(3,689)	(2,415)	(286)	(51)	(31)		(7,523)
INCOME BY BUSINESS SEGMENT before distribution to investors	43,528	7,296	2,593	5,309	258	(31)		58,953
Net distribution to investors	(38,384)	(5,494)	(593)	(2,210)				(46,681)
INCOME BY BUSINESS SEGMENT after distribution to investors	5,144	1,802	2,000	3,099	258	(31)		12,273
Overheads								(3,647)
OPERATING INCOME after distribution to investors								8,626
Financial result								(2,668)
UNDERLYING PRETAX EARNINGS								5,958
Corporation tax								(2,318)
NET INCOME OF CONSOLIDATED COMPANIES								3,640
Income from discontinued activities								
CONSOLIDATED NET INCOME								3,640
Minority interests								442
CONSOLIDATED NET ATTRIBUTABLE INCOME								4,082

Financial information concerning the assets, financial position and results of the issuer

31 December 2004 (€ thousands)	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Eliminations	Total
Leasing revenues	45,269	31,161	29,119	4,656	116		(53)	110,266
Sales of equipment	57,587	5 953		6,687				70,227
Commissions	52			37				89
TOTAL REVENUES	102,908	37,114	29,119	11,379	116		(53)	180,583
Capital gains on disposals	(606)	2,536	370	2,247				4,547
Revenue from activities	102,302	39,650	29,489	13,626	116		(53)	185,130
Cost of sales	(54,010)	(5,176)		(5,949)				(65,135)
Operating expenses	(7,304)	(23,413)	(23,257)	(3,139)	(50)		45	(57,119)
Selling, general and administrative expenses	(4,128)	(3,124)	(2,484)	(586)			8	(10,314)
GROSS OPERATING MARGIN (EBITDA)	36,859	7,937	3,748	3,952	66			52,562
Depreciation and amortization	(291)	(3,707)	(1,530)	(158)	(53)	(56)		(5,795)
INCOME BY BUSINESS SEGMENT before distribution to investors	36,569	4,230	2,218	3,793	13	(56)		46,767
Net distribution to investors	(31,314)	(4,027)	(746)	(775)				(36,862)
INCOME BY BUSINESS SEGMENT after distribution to investors	5,255	203	1,472	3,018	13	(56)		9,905
Overheads								(3,061)
OPERATING INCOME after distribution to investors								6,845
Financial result								(3,717)
UNDERLYING PRETAX EARNINGS								3,128
Corporation tax								(337)
NET INCOME OF CONSOLIDATED COMPANIES								2,791
Income from discontinued activities								
CONSOLIDATED NET INCOME								2,791
Minority interests								386
CONSOLIDATED NET ATTRIBUTABLE INCOME								3,177

note 3.2. Balance sheet by business segment

31 December 2005 (€ thousands)	Shipping containers	Modular buildings	River barges	Railcars	Sundry	Unallocated	Total
ASSETS							
Goodwill	0	304	2,284	4,554	0		7,142
Net intangible fixed assets	0	9	0	0	0	104	114
Net tangible fixed assets	10,965	50,960	27,737	13,184	691	10	103,546
Long-term financial assets	5,195	2,830	144	0	0	165	8,334
Other non-current assets	0	1,199	0	0	0		1,199
Deferred tax assets						2,174	2,174
Total non-current assets	16,160	55,302	30,166	17,738	691	2,453	122,509
Inventories and work in progress	3,202	3,141	72	4,120	0		10,536
Trade debtors	13,692	9,636	6,841	5,036	46		35,251
Other current assets	1,700	4,001	728	4,548	0	947	11,924
Cash and short-term investments						26,071	26,071
Total current assets	18,594	16,778	7,641	13,705	46	27,018	83,782
Assets held for sale							
TOTAL ASSETS							206,291
LIABILITIES							
Share capital						30,119	30,119
Reserves						22,188	22,188
Attributable income for the period						4,082	4,082
Group shareholders' equity						56,390	56,390
Minority interests	(468)	(119)	146	274	0	0	(167)
Total shareholders' equity						56,390	56,223
Borrowings and financial debt						48,132	48,132
Deferred tax liabilities						1,196	1,196
Pension and similar liabilities	43	57	0	0	0	52	151
Other long-term liabilities	3,431	1,860	0	0	0	0	5,291
Total non-current liabilities	3,474	1,917	0	0	0	49,379	54,769
Provisions for risks and charges	0	215	0	0	0	0	215
Current bank facilities and borrowings						43,315	43,315
Trade creditors	9,376	6,801	4,999	2,687	0	506	24,369
Other liabilities	15,080	9,814	366	985	0	1,155	27,400
Total current liabilities	24,456	16,830	5,365	3,672	0	44,976	95,299
Liabilities for sale							
TOTAL LIABILITIES							206,291
Intangible & tangible investments in the period	7,415	28,323	11,203	7,743	68		54,752
Workforce per business segment	27	166	119	7		26	345

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
Inventories 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
Assets held for sale							
TOTAL ASSETS							179,606
LIABILITIES							
Share capital						22,705	22,705
Reserves						7,986	7,986
Attributable income for the period						3,177	3,177
Group shareholders' equity						33,868	33,868
Minority interests	(222)		368				146
Total shareholders' equity						33,868	34,014
Borrowings and financial debt						42,391	42,391
Deferred tax liabilities						729	729
Pension and similar liabilities	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 risks and charges		182	41			44	267
Borrowings and current bank facilities (<1 yr)						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 for sale							
TOTAL LIABILITIES							179,606
Intangible & tangible investments in the period	9,126	5,428	5,278	796	47		20,675
Workforce per business segment	18	164	98	5		23	308

note 3.3. Geographic information

(€ thousands)	International	Europe	United States	Total
2005				
Revenues	114,908	96,199	10,885	221,992
Intangible and tangible investments	708	42,654	11,489	54,851
Non-current segment assets	15,745	87,042	19,722	122,509
2004				
Revenues	102,866	70,986	6,731	180,583
Intangible and tangible investments	2,047	17,587	1,041	20,675
Non-current segment assets	16,591	66,132	9,510	92,233

Notes to the income statement

note 4. Revenues

Breakdown by type (€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Leasing revenues	127,968	110,267	17,701	16%
Sales of equipment	93,926	70,227	23,699	34%
Commissions	98	89	9	10%
TOTAL	**221,992**	**180,583**	**41,409**	**23%**

Leasing revenues

The increase in leasing revenues is due on the one hand to the increase in the fleets under management in the shipping containers, modular buildings and railcars businesses, and on the other hand to the rise in the utilization rates and leasing rates in the modular buildings business.

It should be noted that the leasing revenues include revenues from leasing, transport and services associated with the leasing of equipment.

Sales of equipment

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

note 5. Capital gains on disposals

(€ thousands)	31.12.2005	31.12.2004
Capital gains on disposals	2,836	4,547
TOTAL	**2,836**	**4,547**

The capital gains on disposals relate essentially to the conclusion of management programs in the modular buildings business and the disposal of river barges in the United States.

note 6. Purchases and other external charges

(€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Purchases of goods	(88,968)	(66,038)	(22,929)	35%
Other external services	(58,205)	(57,880)	(325)	1%
Taxes and duties	(629)	(454)	(175)	39%
TOTAL	**(147,802)**	**(124,372)**	**(23,429)**	**19%**

Purchases of goods

The increase in goods purchased is associated with the rise in equipment sales in the shipping containers, railcars and modular buildings businesses.

Other external services

There has been no change in other external services.

note 7. Personnel costs

(€ thousands)	31.12.2005	31.12.2004
Salaries & social charges	(14,643)	(11,550)
Workforce	**345**	**308**

The change in salaries and social charges is due to the increase in the workforce and the average salary.

Personnel profit-sharing policy

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

note 8. Other operating income and expenses

(€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Other operating income	3,088	925	2,163	234%
Other operating expenses	(2,540)	(1,606)	(934)	58%
TOTAL other operating income and expenses	**549**	**(681)**	**1 230**	

The operational management income is the opposing entry corresponding to the decrease in other long-term liabilities, i.e. €2.3 million (*cf.* notes to the consolidated financial statements note 23 page 82).

The operational management expenses include the impairment of financial assets, i.e. -€2.3 million (*cf.* notes to the consolidated financial statements note 15 page 77).

note 9. Depreciation and amortization charges and transfers to operating provisions

(€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Straight-line depreciation & amortization charge	(5,809)	(4,505)	(1,304)	29%
Leasing amortization charge	(1,715)	(1,944)	229	- 12%
Sub-total	(7,524)	(6,449)	(1,075)	17%
Other transfers to provisons	1	654	(653)	- 100%
TOTAL	**(7,523)**	**(5,795)**	**(1,728)**	**30%**

The increase in the depreciation and amortization charges is correlated to the increase in the Group's investments.

The other transfers to provisions mainly comprise transfers to provisions for pension liabilities. In 2004, the release of other provisions comprised the release of a provision for bad and doubtful debts following the recognition of a loss in respect of a bad debt stated in operating expenses.

note 10. Net distributions to investors

Net distributions to investors are analyzed by business segment as follows:

(€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Shipping containers	(38,384)	(31,314)	(7,070)	23%
Modular buildings	(5,494)	(4,027)	(1,467)	36%
River barges	(593)	(746)	153	-21%
Railcars	(2,210)	(775)	(1,435)	185%
TOTAL	**(46,681)**	**(36,862)**	**(9,819)**	**27%**

The increase in net distributions to investors is due to the increase in the fleets under management.

Shipping containers

The Group manages a container fleet of 256,182 TEU on behalf of third parties:

- The 1998 Trust and the 2001 Trust (53,077 TEU),
- Management programs (203,105 TEU).

Modular buildings

The Group manages 12,368 modular buildings on behalf of third parties, in France, the United States, Germany and the Netherlands.

River barges

The revenues paid to investors relate to a fleet managed in the Netherlands by the subsidiary Eurobulk Transportmaatschappij BV, under bare-boat leases.

Railcars

The Group manages 2,621 railcars on behalf of third parties, in Europe and the United States.

note 11. Financial result

(€ thousands)	31.12.2005	31.12.2004	Change 2005/2004	Change (%)
Financial income and expenses				
Financial income	664	145	519	358%
Financial expenses	(3,913)	(3,461)	(452)	13%
Net financial expenses	(3,249)	(3,316)	67	-2%
Provisions				
Amounts released	15	0	15	
Amounts charged	(34)	(532)	498	-94%
Net charge	(19)	(532)	513	-96%
Translation difference				
Positive	972	1,052	(80)	-8%
Negative	(372)	(921)	549	-60%
Net translation difference	600	131	469	358%
FINANCIAL RESULT	**(2,668)**	**(3,717)**	**1,049**	**-28%**

The transfers to and releases from financial provisions correspond to unrealized foreign exchange losses and gains. The translation differences record the realized foreign exchange losses and gains.

The decrease in the financial loss is associated directly with foreign exchange gains.

note 12. Corporation tax

Taxes on profit comprise due taxes payable by Group companies and deferred taxes arising from tax losses and temporary 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 tax group comprises the companies TOUAX SCA and TOUAX Modules Services SAS. The legal reorganization of activities in the Benelux countries has led to the creation of two fiscal groups in the Netherlands: on the one hand TOUAX BV and on the other hand EUROBULK Transport Maatschappij BV and CS de Jonge BV.

Analysis of the tax charge

(€ thousands)	31.12.2005 Due	31.12.2005 Deferred	31.12.2005 Total	31.12.2004 Due	31.12.2004 Deferred	31.12.2004 Total
Europe	(408)	(428)	(836)	(291)	(45)	(336)
United States	0	(1,503)	(1,503)	(2)	0	(2)
Others		20	20	0	1	1
TOTAL	**(408)**	**(1,911)**	**(2,318)**	**(293)**	**(44)**	**(337)**

(€ thousands)	2005
Net income of consolidated companies	3,640
Corporation tax	(2,318)
Pretax income	**5,958**
Theoretical tax charge at 34.33%	(2,016)
Impact on theoretical tax of:	
Limitation of deferred tax	(736)
Permanent differences and other elements	(201)
Losses created during the period	406
Losses allocated to the period	237
Temporary differences	(8)
Effective tax charge	**(2,318)**

The balance of deferred tax assets in the United States not recognized in the financial statements is estimated at $0.8 million.

The balance of French deferred tax assets not recognized in the financial statements is estimated at €2.2 million.

Notes to the balance sheet

Assets

note 13. Goodwill

The change in goodwill is as follows:

(€ thousands)	31.12.2005 Net value	31.12.2004 Net value
River barges		
Eurobulk Transportmaatschappij BV	221	221
CS de Jonge BV	91	91
Interfeeder-Ducotra BV	1,968	1,968
TOUAX Rom SA	4	4
TOUAX Leasing Corp	0	59
Modular buildings		
Siko Containerhandel Gmbh	288	288
Workspace Plus	16	14
Railcars		
TOUAX Rail Limited	4,554	
TOTAL	**7,142**	**2,644**

The decrease in the goodwill in respect of TOUAX Leasing Corp follows the sale of barges operating in the United States in the first half of 2005.

The acquisition of the shares of TOUAX Rail Limited from Almafin, which held 49% of the voting rights, generated goodwill. This goodwill was recognized after verification that all the identifiable assets and liabilities meet the accounting criteria described in IFRS 3 and have been valued at their fair value. The stated goodwill comprises the amount by which the acquisition price of the shares of TOUAX Rail Limited exceeds the net fair value of the identifiable assets and liabilities. This fair value is the book value of the assets and liabilities of TOUAX Rail Ltd.

The company TOUAX Rail Ltd was formed in 2002. It has built up a strong brand awareness since that date. The recognized goodwill represents this brand awareness.

The company's intangible assets comprise management contracts. It should be noted, however, that the current value of these contracts is not significant. It is not currently possible to take advantage of economies of scale owing to the size of TOUAX Rail Ltd.

The tangible assets (railcars) of TOUAX Rail Ltd have all been acquired since May 2002. They are correctly identified in the financial statements of the subsidiary. Because of the recent date of acquisition of the railcars, it can be stated that the book value of these assets represents their market value.

Impairment tests have been carried out on all goodwill. A test was carried out in particular on the company Interfeeder Ducotra on the basis of market value. It did not reveal any loss of value.

note 14. Tangible fixed assets

note 14.1. Breakdown by type

(€ thousands)	31.12.2005 Gross value	Depreciation	Capital gains	Net value	31.12.2004 Net value
Land and buildings	4,421	(782)	(189)	3,450	3,488
Equipment	131,934	(32,346)	(1,228)	98,361	68,693
Other tangible fixed assets	5,131	(3,459)		1,672	773
Tangible fixed assets under construction	64			64	1,092
TOTAL	**141,550**	**(36,587)**	**(1,416)**	**103,547**	**74,046**

note 14.2. Movements in gross values

(€ thousands)	01.01.2005	Acquisition	Disposal	Translation difference	Sundry	31.12.2005
Land and buildings	4,350	5	(15)	81		4,421
Equipment	101,348	53,661	(33,263)	4,395	5,793	131,934
Other tangible fixed assets	4,017	1,087	(392)	189	230	5,131
Tangible fixed assets under construction	948				(884)	64
TOTAL	**110,663**	**54,753**	**(33,670)**	**4,665**	**5,139**	**141,550**

The acquisitions relate to shipping containers in an amount of €7.4 million, modular buildings in an amount of €28.3 million, river barges in an amount of €11.2 million and railcars in an amount of €7.7 million.

The disposals relate to shipping containers in an amount of €8.7 million, modular buildings in an amount of €18.0 million, river barges in an amount of €3.9 million and railcars in an amount of €3.0 million.

The changes classified as "sundry" mainly comprise changes in the scope of consolidation. The impact of the acquisition of 49% of the TOUAX Rail Limited group amounts to €5.3 million in respect of fixed assets.

The Group's tangible fixed assets comprise leasing equipment (shipping containers, modular buildings, river barges and railcars). The unit values of the shipping containers and modular buildings do not exceed €10,000. The unit values of the railcars range from €10,000 in the case of secondhand 60' railcars and €125,000 in the case of new coupled intermodal railcars (106'). The unit values of the river barges range from €150,000 in the case of barges purchased secondhand (1,700 tonnes) and €600,000 in the case of barges purchased new (2,800 tonnes). It should also be noted that pushboats can attain values in excess of €1 million.

note 15. Long-term financial assets

(€ thousands)	31.12.2005 Gross value	Provisions	Net value	31.12.2004 Net value
Shipping containers	7,192	(1,997)	5,195	6,649
Modular buildings	3,488	(658)	2,830	3,694
River barges	145	0	145	181
Railcars				
Sundry	469	(304)	165	604
TOTAL	**11,294**	**(2,959)**	**8,335**	**11,128**

The financial assets are analyzed by business segment as follows:

Shipping containers

The financial fixed assets comprise loans, collateral deposits and other reserves associated with trusts (*cf.* notes to the consolidated financial statements note 27.8 page 92 and note 27.9 page 95).

The estimate made as at 31 December 2005 of the future net revenues distributed to the 1998 Trust shows that part of the deposits and reserves will not be recoverable at the end of the life of the Trust. This estimate was made taking into account the residual life of the Trust, current utilization and leasing rates, the current sale price of unleased containers and the present-day value of the sale price of leased containers. The collateral deposits relating to the 1998 Trust have consequently been written down by €1.4 million. The initial commissions originally received, up to the amount of these collateral deposits, deferred and stated in non-current liabilities, have been written back in an amount of €1.4 million. Since these items offset each other, they have no impact on the result.

Modular buildings

The financial fixed assets comprise deposit accounts and advances granted to GIE Modul Finance I totaling €1.8 million (*cf.* notes to the consolidated financial statements note 27.6 page 89).

The estimate made as at 31 December 2005 of the future net revenues distributed to the GIE shows that part of the deposits and reserves will not be recoverable at the end of the life of the GIE. This estimate was made taking into account the residual life of the GIE, current utilization and leasing rates and the current estimate of the value of the modular buildings. The collateral deposits relating to GIE Modul Finance have been written down by €0.9 million. The income originally deducted from the sales of modular buildings on the formation of GIE Modul Finance, deferred and stated in non-current liabilities, has been written back in an amount of €0.9 million. Since these items offset each other, they have no impact on the result.

Sundry items

The sundry financial fixed assets include an amount of €337,000 withheld as security for borrowings contracted with Groupement des Industries du Transport et du Tourisme (GITT), written down by 75%. The balance corresponds to sundry deposits.

The long-term financial assets are discounted at the Government bond rate. As at 1 January 2005 (first-time application of IAS 39) this discounting resulted in a decrease of €1,354,000 compared to the historical cost.

note 16. Other non-current assets

	31.12.2005			31.12.2004
(€ thousands)	Gross value	Provisions	Net value	Net value
Deferred commissions	1,199		1,199	1,116
TOTAL	**1,199**	**0**	**1,199**	**1,116**

note 17. Inventories and work in progress

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

	31.12.2005			31.12.2004
(€ thousands)	Gross value	Provisions	Net value	Net value
Equipment	9,054		9,054	12,152
Spares	1,482		1,482	880
TOTAL	**10,536**	**0**	**10,536**	**13,033**

note 18. Trade debtors

Movements in trade debtors were as follows:

	31.12.2005			31.12.2004
(€ thousands)	Gross value	Provisions	Net value	Net value
Trade debtors	38,711	(3,460)	35,251	28,094
TOTAL	**38,711**	**(3,460)**	**35,251**	**28,094**

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

(€ thousands)	As at 31.12.2005			As at 31.12.2004		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Shipping containers	16,173	(2,480)	13,693	14,371	(1,936)	12,435
Modular buildings	10,192	(557)	9,636	8,714	(573)	8,141
River barges	7,262	(421)	6,841	6,411	(566)	5,845
Railcars	5,036		5,036	1,666		1,666
Sundry	48	(3)	46	7		7
TOTAL	**38,711**	**(3,460)**	**35,251**	**31,169**	**(3,075)**	**28,094**

note 19. Other current assets

(€ thousands)	31.12.2005	31.12.2004
Disposals of fixed assets	199	936
Deferred charges	1,148	1,197
Taxes and duties	3,988	6,967
Other items	6,590	4,992
TOTAL	**11,924**	**14,092**

The position relating to taxes and duties essentially concerns VAT on acquisitions of goods at the end of the period. The “other items” heading comprises other operating receivables.

note 20. Cash and cash equivalents

(€ thousands)	31.12.2005	31.12.2004
Investments at less than three months	759	1,054
Bank current accounts	25,312	31,100
TOTAL	**26,071**	**32,154**

note 21. Shareholders' equity

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

On 7 October 2005 the Management Board recorded the exercise of 11,001 equity warrants authorized by the Extraordinary General Meeting of 16 September 2002. The capital was increased by €88,008 and the issue premium by €44,004.

On 28 November 2005 the Management Board recorded a capital increase of €7,326,328 in accordance with the authorization given by the Extraordinary General Meeting of 30 June 2005. The issue premium after allocation of the expenses relating to the operation (€1 million) was increased by €10,630,895.

Share subscription or purchase options granted by TOUAX SCA:

	2000 subscription options plan	2002 subscription options plan
Date of shareholder meeting	06.06.00	24.06.02
Date of board meeting	06.06.00	31.07.02
Number of options originally granted	16,200	11,001
– of which to members of the Executive Committee	4,800	1,500
Number of current beneficiaries	8	13
– of which members of the current Executive Committee	1	2
Grant date	06.06.00	31.07.02
Exercise start date	05.06.05	30.07.06
Expiry date	06.06.08	31.07.10
Exercise price	26.18 €	14.16 €
Options exercised since granting	0	0
– by members of the Executive Committee	0	0
Number of members of the Executive Committee exercising options in 2005	0	0
Options lapsed since granting	7,450	1,101
Number of options remaining to be exercised as at 31.12.2005	8,750	9,200
– of which to members of the current Executive Committee	2,400	2,500

No subscription options were granted or exercised by officers of the company or any other person in 2003, 2004 and 2005. The number of options granted to the ten largest beneficiaries amounted to 8,350 in 2002.

Equity warrants granted by TOUAX SCA

Following the exercise of 11,001 warrants referred to above, there are currently no valid warrants in circulation.

note 22. Financial liabilities

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

note 22.1. Analysis of financial liabilities by category

	31.12.2005			31.12.2004			Total
(€ thousands)	Non-current	Current	Total	Non-current	Current	Total	change
Medium-term loans	20,854	10,382	31,236	9,560	8,572	18,132	13,104
Finance lease liabilities	22,045	5,907	27,952	18,757	5,943	24,700	3,252
Renewable credit facilities with recourse	3,813	13,394	17,206	14,075	10,476	24,551	(7,345)
Renewable credit facilities without recourse	1,420	7,649	9,069		2,265	2,265	6,804
Bank current accounts		5,935	5,935		3,013	3,013	2,922
Financial instruments (interest rate swaps)		49	49				49
Total financial liabilities	**48,132**	**43,315**	**91,447**	**42,392**	**30,270**	**72,662**	**18,785**

note 22.2. Analysis of repayments of medium-term borrowings and finance lease liabilities by maturity as at 31 December 2005

(€ thousands)	Medium-term loans	Finance lease liabilities	Renewable credit facilities	Total as at 31.12.2005
12.2006	10,430	5,907	21,043	37,380
12.2007	3,808	4,807	3,872	12,487
12.2008	3,043	4,425	245	7,713
12.2009	2,447	3,991	182	6,621
Over 5 years	11,557	8,822	934	21,312
TOTAL	**31,285**	**27,952**	**26,275**	**85,512**

Covenants have been introduced for certain medium-term bank loans. These relate to €19 million of debt as at 31 December 2005. They enable the lenders to demand early repayment if they are breached. In order to fulfill these covenants, the borrower must in particular comply with ratios such as shareholders' equity divided by the balance sheet total or consolidated net debt divided by consolidated net worth. As at 31 December 2005, all such clauses were complied with.

Financial information concerning the assets, financial position and results of the issuer

Of the finance leasing amount of €28 million, 76% is subject to early repayment clauses, which include compensation of 0-5% of the capital repaid early. These early repayment clauses are triggered when the Group decides on its own initiative to break a finance lease contract in order to sell equipment under a management program, generating a sale margin.

100% of the medium- and long-term debt is subject to early repayment clauses.

88.66% of the medium- and long-term debt and finance leasing debt is subject to early repayment clauses.

note 22.3. Movements in debt

Consolidated net financial debt

(€ thousands)	31.12.2005	31.12.2004
Financial liabilities	91,447	72,662
Short-term investments and other securities	759	1,084
Liquid assets	25,312	31,070
Consolidated net financial debt	**65,376**	**40,508**

note 23. Other long-term liabilities

(€ thousands)	31.12.2005	31.12.2004
1998 Trust	1,376	2,765
2001 Trust	2,055	2,202
Shipping containers	3,431	4,967
Modular buildings (GIE Modul Finance I)	1,860	3,188
TOTAL	**5,291**	**8,155**

The long-term liabilities are discounted and have been the subject of writebacks of €1.4 million in the shipping containers business and €0.9 million in the modular buildings business as a result of the impairment of financial assets of the same amount.

note 24. Trade creditors

(€ thousands)	31.12.2005	31.12.2004
Shipping containers	9,376	20,842
Modular buildings	6,801	7,145
River barges	4,999	3,601
Railcars	2,687	3,543
Sundry	506	645
Total	**24,369**	**35,776**

The trade creditors in the shipping containers business are associated with deliveries of containers, for which the corresponding entry is in inventories.

note 25. Other liabilities

(€ thousands)	31.12.2005	31.12.2004
Liabilities in respect of fixed assets	3,433	730
Tax and social charges	3,866	6,704
Operating liabilities	16,932	14,555
Other liabilities	1,630	209
Subtotal	25,861	22,198
Deferred income	1,540	5,652
Total	**27,401**	**27,850**

Operating liabilities mainly comprise revenues due to investors in the shipping containers and modular buildings businesses (€14.5 million as at 31 December 2005, €10.6 million as at 31 December 2004).

note 26. Deferred tax

31 December 2005 (€ thousands)	Deferred tax assets	Deferred tax liabilities	Assets	Liabilities
United States	13,108	(10,943)	2,165	
Europe	3,649	(4,845)		(1,196)
Others	9		9	
	16,766	(15,787)	2,174	(1,196)
Balance asset/liability	**978**		**978**	

(€ thousands)	31.12.2005	31.12.2004
Deferred tax asset	2,174	3,248
Deferred tax liability	(1,196)	(729)
TOTAL	**978**	**2,519**

note 27. Liabilities and risks

note 27.1. Related parties

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

note 27.2. Liabilities and risks

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

note 27.2.1. Non-capitalized operating leases

(€ thousands)	Total	< 1 yr	1-5 yrs	> 5 yrs
Operating leases with recourse	26	26	0	0
Operating leases without recourse against the Group	39,986	6,485	26,086	7,415
TOTAL	**40,012**	**6,511**	**26,086**	**7,415**

Future rents payable in respect of irrevocable operating leases as at 31 December 2005 are detailed in the following sections.

Operating leases with recourse

(€ thousands)	Modular buildings	Total as at 31.12.2005	Residual value
2006	26	26	40
After 2006	0	0	199
TOTAL	**26**	**26**	**239**
Amounts charged during the period	28	28	

Operating leases without recourse against the Group

(€ thousands)	Shipping containers	Modular buildings	Railcars	Total as at 31.12.2005	Residual value
2006	3,952	9	2,524	6,485	
2007	3,952		2,524	6,476	
2008	3,952		2,524	6,476	
2009	2,168		2,524	4,692	
2010	1,698		2,524	4,222	
After 2010	6,380		5,257	11,637	1,134
TOTAL	**22,102**	**9**	**17,877**	**39,988**	**1,134**
Amounts charged during the period	3,525	25	1,390	4,940	

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

note 27.2.2. Other liabilities

(€ thousands)	Total	< 1 yr	1-5 yrs	> 5 yrs
Letters of credit	403			377
Guarantees	5,020			7,347
Other trade liabilities	21,677	21,677		
TOTAL	**27,100**	**21,677**	**0**	**7,724**

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

Confirmed orders for equipment

Confirmed orders and investments as at 31 December 2005 amount to €21.7 million, including €0.3 million in respect of shipping containers, €4.5 million in respect of modular buildings and €10.8 million in respect of railcars.

note 27.2.3. Exceptional events and disputes

In several countries in which TOUAX SCA 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 exceptional 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.

note 27.2.4. Hedging of interest rate and currency risks

The interest rate hedging products implemented in 2003 continued to be effective in 2005. Taking this hedging into account, the fixed-rate debt represents 36% of the total indebtedness and variable rate debt 64%. This breakdown may be modified again on the decision of the Management of the Group if justified by monetary events. Interest rate swaps are referred to in note 1.17.5.

The off balance sheet financial instruments as at 31 December 2005 were as follows:

(€ thousands)	Nominal amount	Interest rate minimum	Interest rate maximum	Maturity date minimum	Maturity date maximum
Interest rate swaps – borrower fixed rate/ lender variable	7,986	3.15%	3.85%	1/04/08	28/12/10

Financial liabilities - interest rate risk

(€ thousands)	As at 31 décembre 2005 Amount before hedging operations	Amount after hedging operations
Euros at fixed rate	20,467	26,188
Euros at variable rate	51,008	45,287
Dollars at fixed rate	4,660	6,925
Dollars at variable rate	13,381	11,116
Other currencies at variable rate	1,931	1,931
Total fixed-rate liabilities	25,127	33,113
Total variable-rate liabilities	66,320	58,334
Total liabilities	**91,447**	**91,447**

In 2005, TOUAX SCA and its subsidiaries made no use of financial instruments to hedge currency risks. The Group considers that the currency 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 the impact of exchange rate fluctuations insignificant at Group level.

note 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):

	31 December 2005					2004
(€ thousands)	Year of commencement	Maturity	Assets pledged	Total of balance sheet item	%	
Mortgages (river barges)			29,859	39,706	75.20%	12,567
	1997	2008	1,408			
	1998	2006	1,081			
	1999	2009	2,313			
	2002	2009	1,197			
	2005	2010	9,748			
	2002	2012	1,059			
	2003	2008	635			
	2003	2013	4,333			
	2003	2015	7,300			
	2005	2015	785			
Real estate mortgages	1996	2009	785	4,350	18.0%	685
Pledges of tangible assets			13,386	95,769	14.0%	6,013
Modular buildings	2005	2016	2,558			
Shipping containers	2004	2012	1,982			
Railcars	2004	2016	8,846			
Pledges of financial assets (deposits pledged as collateral)			7,383	11,294	65.4%	8,166
Modular buildings	1997	2010	1,050			
Shipping containers	1998	2009	3,796			
	2001	2012	2,537			
TOTAL			51,413	151,119	34.0%	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.

note 27.2.6. Guarantees

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

(€ thousands)	< 1 yr	1-5 yrs	→ 5 yrs	Total
Collateral supplied to banks for bank facilities used by subsidiaries	6,032	51,309	2,369	59,710

The total outstanding relating to commitments given to subsidiaries was €33,258,000 at the end of 2005

note 27.3. Additional information relating to finance leasing (capitalized)

(€ thousands)	Land	Leasing equipment	Total as at 31.12.2005
ORIGINAL VALUE	1,979	46,544	48,523
Amortization charge for the period		1,715	1,715
ACCUMULATED AMORTIZATION		8,629	8,629

(€ thousands)	Charges remaining payable			
	Land	Leasing equipment	Total as at 31.12.2005	Residual value
2006	263	6,617	6,880	344
2007	87	5,701	5,788	112
2008	87	5,105	5,192	20
2009	87	3,645	3,732	84
More than 5 years	87	7,887	7,974	928
TOTAL	**611**	**28,955**	**29,566**	**1,488**
AMOUNT CHARGED DURING THE PERIOD (amortization & financial expenses)	57	3,199	3,256	

note 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.

note 27.5. Remuneration of the Executive Committee

Remuneration of the Executive Committee in 2005 .... €586,000 (4 persons)

The liabilities in respect of retirement and complementary pensions for the Executive Committee are not significant. No stock options have been granted to the officers of the company. They have been granted to the other members of the Executive Committee (*Cf.* table of stock options detailed in note 21 of the notes to the consolidated financial statements page 80).

note 27.6. Additional information on GIE Modul Finance I

In December 1997, and during the 1998 financial year, the TOUAX Group carried out an asset-backed securitization operation by assigning 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 investment in GIE Modul Finance I was financed as follows:

- by issuing redeemable subordinated securities for a total value of €10.5 million, 90% of which were subscribed by an institutional investor and 10% by TOUAX SCA,
- by contracting a senior loan of €32.6 million, 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 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 to the principal, GIE Modul Finance I, 90 days after the end of each quarter.

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 for a total 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 entered into by GIE Modul Finance I and financed from the senior loan sets the maximum reference 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 entered into by GIE Modul Finance I and financed from the junior loan sets the maximum reference 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 the GIE within the meaning of interpretation SIC 12 "Consolidation – Special Purpose Entities" and law 2003-706 of 1 August 2003 on financial security. Consequently it is not part of the scope of consolidation.

Senior and junior debt repayment schedules (€ thousands)

Dates	Annual redemption of the principal of the SENIOR DEBT	Annual redemption of the principal of the JUNIOR DEBT
2006	1,859	602
2007	1,981	647
2008	2,111	695
2009	2,250	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: €9.146 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 repayment 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 GIE, the Group has the right, but not the obligation, to advance to it the amounts required to cover the senior debt repayment schedule. These advances shall be repaid to the Group from the surplus resulting from the difference between Distributable Net Leasing Income and the repayments of the senior and junior debt over the following quarters, as a priority once the Distributable Net Leasing Income again exceeds the senior and junior debt repayment schedule.

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2005	31.12.2004
Leasing revenues from equipment belonging to GIE	6,019	6,094
In consolidated revenues	6,019	6,094
Flat-rate operating expenses on equipment belonging to the GIE (b)	(2,408)	(2,438)
In purchases and other consolidated external expenses	(2,408)	(2,438)
Net leasing revenues due to the GIE	(2,383)	(2,417)
In consolidated leasing revenues due to investors	(2,383)	(2,417)
TOTAL (a)	**1,228**	**1,239**

(a) The total comprises management commissions received by the Group for the management of equipment belonging to the GIE.

(b) The operating expenses are allocated on a flat-rate basis, not on the basis of individual items of equipment.

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2005	31.12.2004
Collateral deposit	248	1,931
Loan to the GIE	1,613	1,257
In consolidated financial fixed assets	1,861	3,188
Deferred payment	1,199	1,116
In other non-current assets	1,199	1,116
In consolidated ASSETS	3,060	4,304
Deferred income	1,860	3,188
In other non-current liabilities	1,860	3,188
Net leasing revenues due to the GIE (4th quarter)	590	610
In consolidated operating liabilities	590	610
In consolidated LIABILITIES	2,450	3,798

As indicated in the notes to the consolidated financial statements note 15 page 77 on financial fixed assets, the collateral deposits relating to GIE Modul Finance have been written down by €0.9 million. The commissions deferred at the time of the formation of GIE Modul Finance, stated in non-current liabilities, are consequently cancelled for the same amount (€0.9 million).

note 27.7. Additional information on Trust CLR 95

The 1995 Trust fleet has been sold to another investor with a consequent ceasing of revenue as of 1 April 2004. A termination agreement was signed terminating the management contract between TOUAX SA and the Trust at the end of December 2004. The new owner has entrusted the managers of the containers formerly belonging to the 1995 Trust to the TOUAX Group, through its subsidiary Gold Container Corp. The Trust has not yet been legally dissolved.

The cessation of the activities of the 1995 Trust at the end of 2004 has not had any negative consequence on the Group having regard to the provisions previously created in respect of the assets concerned (equity securities and collateral deposits).

note 27.8. Additional information on Trust TCLRT 98

On 16 December 1998, the Group carried out a second asset-backed securitization program with regard 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 31 December 2005, the Trust's fleet comprised 14,295 containers (7,241 20' Dry Cargo – 5,403 40' Dry Cargo and 1,651 40' High Cube) representing an investment of $36.9 million, corresponding to 18,660 TEU by value.

In addition to the $5.54 million advanced by the Group, the Trust's balance sheet as at 31 December 2005 includes senior debt (notes) of $24.5 million with a fixed interest rate of 5.94%, excluding insurance and subordinated debt (certificates) amounting to $5.7 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 delivered to the Trust as security.

Should the Trust fail to meet the debt repayment schedule, it shall be in default and may decide to sell the containers or change operator. 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 interpretation SIC 12 "Consolidation – Special Purpose Entities" and law no. 2003-706 of 1 August 2003 on financial security. Consequently it is not part of the scope of consolidation.

Repayment schedule for the Trust's senior debt:

Date	Payment dates	Minimum accumulated redemption	Balance repayable (in $ thousands)
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.

Repayment schedule for the Trust's subordinated debt:

Date	Payment	Minimum accumulated redemption	Balance repayable (in $ thousands)
16.12.1998	Closing date		6,402
16.12.2001	4th anniversary	521	5,881
16.12.2004	6th anniversary	1,098	4,782
16.12.2006	8th anniversary	1,929	2,853
15.01.2009	Maturity date		2,706

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

The lease of the Trust's containers by Gold Container has the following impact on the Group accounts (in € thousands):

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2005	31.12.2004
Leasing revenues from equipment belonging to the 1998 Trust	3,754	3,912
Trust intitial commission (1)	0	0
In consolidated revenues	3,754	3,,912
Operating expenses on equipment belonging to the Trust (2)	(577)	(612)
Trust formation expenses (3)	0	0
In purchases and other consolidated external expenses	(577)	(612)
Distributions to the Trust (4)	(2,850)	(2,967)
In consolidated leasing revenues due to investors	(2,850)	(2,967)
TOTAL (5)	**327**	**333**

(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 expenses and overheads.

(2) Operating expenses 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 €327,000 in December 2005.

(5) The total comprises management commissions received by the Group for the management of equipment belonging to the 1998 Trust.

Financial information concerning the assets, financial position and results of the issuer

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2005	31.12.2004
Collateral deposit (6)	2,718	3,670
Subordinated advance against distribution (7)	0	360
Advance for excess operating charges (8)	61	53
In consolidated financial fixed assets	2,779	4,083
Other operating receivables (9)	7	4
In consolidated ASSETS	2,786	4,087
In other long-term financial assets	1,817	2,765
Leasing revenues due to the Trust (10)	750	435
Revenues from total loss due to the Trust	28	48
Sales revenues from Trust's containers (11)	0	20
In consolidated operating liabilities	778	503
In consolidated LIABILITIES	2,595	3,268

(6) 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 from the funds accrues to Gold Container Corp. The letter of credit in respect of the principal is 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 should 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 loan repayment schedule. Since the recoverability of this liquidity reserve is uncertain, this financial asset has been written down as at 31 December 2005 by an amount of $1,170,000. The deferred income appearing in other long-term liabilities in the consolidated financial statements have been reduced by the same amount.

(7) An exceptional repayable advance of $520,000 was granted by the Group to the Trust. This advance was written off in full on 31 December 2005. The deferred income appearing in other long-term liabilities was written back in an equivalent amount.

(8) The Group has undertaken to maintain operating costs below a specified reference threshold. If this threshold is breached, 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 repayment schedule have been respected. These advances amounted to $72,000 as at 31 December 2005.

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

(10) 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.

(11) 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.

note 27.9. Additional information on Trust TLR 2001

On 27 October 1999, the Group conducted a third asset backed securitization of shipping containers in the form of a trust registered in Delaware, USA, and named "TOUAX Lease Receivables Master Trust 2000-1", hereinafter referred to as the 2000 Trust. For a period initially called "Warehouse period", running from 27 October 1999 to 31 December 2001, the 2000 Trust 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.

The 2000 Trust 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, The 2001 Trust (TLR Master Trust 2001), which acquired the assets of the 2000 Trust. In February 2002, the receivables and liabilities of the respective Trusts and of the Group were wound up.

As at 31 December 2005, the Trust's fleet consisted of 19,960 containers (8,373 20' Dry Cargo – 5,552 40' Dry Cargo and 6,035 40' High Cube) representing an investment of $46.7 million and corresponding to 27,395 financial TEU, as well as 148 railcars with an original value of $8.9 million.

In addition to the $3.5 million advanced by the Group, The 2001 Trust had senior debt (notes) of $30.8 million and equity of $18.9 million at the end of December 2005.

The 2001 Trust and the Group have entered into Leasing contracts ("Railcar Master Lease" and "Container Master Lease") with a duration of 10 years, 8 months. The Group distributes to the 2001 Trust rental sums equivalent to distributable net revenues in accordance with the conditions laid down in the "Master Lease Agreement".

Through Leasco 2, the Group has purchased 1,733 containers ($4.2 million) which are leased on behalf of the Trust and delivered to it as collateral (by way of a contract referred to as the "Leased Container Master Lease").

In certain circumstances linked to the amount of rental paid, the Trust may decide to sell the containers or change operator. The Group has a purchase option at the end of the term of the Leasing contracts but is not obliged to repurchase the equipment or repay the debt. The Group does not exercise control over the Trust within the meaning of interpretation SIC 12 "Consolidation – Entités Ad Hoc" and law no. 2003-706 of 1 August 2003 on financial security; it does not therefore form part of the scope of consolidation.

The lease of the Trust's containers by Gold Container has the following impact on the Group's accounts (in € thousands):

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2005	31.12.2004
Revenues from leasing of equipment belonging to the 2001 Trust	5,260	5,721
Trust initial commission (1)	0	0
In consolidated revenues	5,260	5,721
Operating equipment on expenses belonging to the Trust (2)	(521)	(634)
In purchases and other consolidated external expenses	(521)	(634)
Distributions to the Trust (3)	(4,247)	(4,573)
In consolidated leasing revenues due to investors	(4,247)	(4,573)
TOTAL (4)	492	514

(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 expenses and overheads.

(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 €492,000 at the end of December 2005.

(4) The total comprises management commissions received by the Group for the management of equipment belonging to the 2001 Trust.

Financial information concerning the assets, financial position and results of the issuer

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2005	31.12.2004
Liquidity reserves (5)	2,458	2,614
Equity securities		0
Other 2001 Trust receivables (6)	0	0
In financial fixed assets	2,458	2,614
Other operating receivables (7)	4	4
In consolidated ASSETS	2,462	2,618
Other long-term liabilities	2,055	2,202
Leasing revenues due to the Trust (8)	944	185
Revenues from total loss due to the Trust	48	43
Revenues from sales of containers (9)		
Other Trust 2000 liabilities (6)		
In consolidated operating liabilities	992	228
In consolidated LIABILITIES	3,047	2,430

(5) After the creation of The 2001 Trust, the collateral deposits set up on behalf of the 2000 Trust were released in 2002. The collateral deposits set up for the 2001 Trust amount to $2.4 million. This item also includes the letter of credit in an amount of $475,000 issued by TOUAX SCA in favor of the 2001 Trust, secured by a deposit lodged in a bank account, repayable at the end of the Trust's life.

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

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

(8) Leasing revenues correspond to the net revenues remaining payable to the Trust at the end of each six-month period. 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.

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

note 28. Reconciliation of the 2004 information published under French GAAP and IFRS data

The reconciliation of the balance sheet and shareholders' equity, the income statement and the cash flow statement as at 31 December 2004 was presented in the reference document filed on 3 June 2005 under the number D 05-820.

The purpose of the present memorandum is to recall the information required in respect of the transition to IFRS, in accordance with the recommendations of the CESR – Committee of European Exchange Securities Regulators – and the AMF.

note 28.1. Objective and content

The details given below of the impact of the transition to IFRS in figures (*cf.* notes to the consolidated financial statements note 28.2 page 97) relate to:

- the preparation of the opening balance sheet under IFRS as at 1 January 2004,
- the impact on the presentation and valuation of the main aggregates of the balance sheet as at 31 December 2004 and the Income statement for the period from 1 January to 31 December 2004.

The purpose of the transition tables below is to set out and explain the main impacts of the change in accounting standards on the Group's financial situation and financial performance.

note 28.2. Impacts of the transition to IFRS

In accordance with standard IAS 1 "Presentation of Financial Statements", the presentation of the consolidated balance sheet of TOUAX complies with the classification of assets and liabilities into current and non-current elements. The balances in the balance sheet under French GAAP have been reclassified on the basis of these criteria (*cf.* notes to the consolidated financial statements note 29.5.1 page 106).

The presentational differences in the income statement under IFRS compared to French standards, set out in the notes to the consolidated financial statements note 29.5.2 page 106, are limited, as the TOUAX Group did not present an "Exceptional result" under French standards. Capital gains and losses on disposals of equipment were considered to be everyday management operations because of the Group's leasing activity and contributed to the operating income in the consolidated income statements published by the TOUAX Group under French GAAP.

The differences in the conditions governing the recording and valuation of their impacts are described in the notes to the consolidated financial statements note 29.5.3 page 107.

note 28.2.1. Transition table for the consolidated balance sheet as at 1 January 2004

The exceptions to the retrospective application used in the preparation of the opening balance sheet as at 1 January 2004 are stated in the notes to the consolidated financial statements note 1 page 52.

The transition table for the opening balance sheet (as at 1 January 2004) is as follows:

(€ thousands)	Notes	Published consolidated balance sheet under French GAAP as at 31/12/03	Consolidated balance sheet under French GAAP 31/12/03 IFRS presentation of current/ non-current/ elements	Other reclassifications	IFRS adjustments having an impact on shareholders' equity	IFRS consolidated balance sheet as at 01/01/04
ASSETS						
Goddwill	1	2,649	2,649	0	0	2,649
Other net intangible fixed assets	5	313	313	0	(242)	71
Net tangible fixed assets	4,5 et 6	86,980	86,980	(144)	(1,412)	85,424
Financial fixed assets		12,071	0	0	0	0
Long-term financial assets		0	12,842	0	(126)	12,716
Other non-current assets		0	915	0	0	915
Deferred tax assets	9	0	3,562	0	0	3,562
Total fixed assets Reg nº 99-02 Total non-current assets IFRS		102,013	107,261	(144)	(1,780)	105,337
Inventories and work in progress		4,332	4,332	0	0	4,332
Trade debtors		21,230	21,230	0	0	21,230
Other receivables		16,526	0	0	0	0
Other current assets	5	0	11,278	0	(2,457)	8,821
Cash and short-term investments		27,525	27,525	0	(36)	27,489
Total current assets Reg nº 99-02 Total current assets IFRS		69,613	64,365	0	(2,493)	61,872
Assets intended for disposal		0	0	0	0	0
TOTAL ASSETS		**171,626**	**171,626**	**(144)**	**(4,273)**	**167,209**

(€ thousands)	Notes	Published consolidated balance sheet under French GAAP as at 31/12/03	Consolidated balance sheet under French GAAP 31/12/03 IFRS presentation of current/ non-current/ elements	Other reclassifications	IFRS adjustments having an impact on shareholders' equity	IFRS consolidated balance sheet as at 01/01/04
LIABILITIES						
Share capital		22,705	22,705	0	0	22,705
Consolidated reserves		23,329	23,329	0	(12,822)	10,507
Attributable shareholders' equity		46,034	46,034	0	(12,822)	33,212
Minority interests		725	725	0	(40)	685
Total shareholders' equity		46,759	46,759	0	(12,862)	33,897
Borrowings and financial liabilities		79,767	45,567	0	0	45,567
Deferred tax liabilities	9	0	743	0	0	743
Retirement benefits and similar items	8	0	77	0	62	139
Other long-term liabilities		0	144	(144)	8,527	8,527
Total non-current liabilities		N/A	46,531	(144)	8,589	54,976
Provisions for risks and charges		376	155	0	0	155
Borrowings and current bank facilities		0	34,200	0	0	34,200
Trade creditors		27,227	27,227	0	0	27,227
Other liabilities		17,497	16,754	0	0	16,754
Total current liabilities		N/A	78,336	0	0	78,336
Liabilities intended for disposal		0	0	0	0	0
TOTAL LIABILITIES		**171,626**	**171,626**	**(144)**	**(4,273)**	**167,209**

note 28.2.2. Transition table for the consolidated balance sheet as at 31 December 2004

The transition table for the balance sheet as at 31 December 2004 is as follows:

(€ thousands)	Notes	Published consolidated balance sheet under French GAAP as at 31/12/04	Consolidated balance sheet under French GAAP 31/12/04 IFRS presentation of current/ non-current/ elements	Other reclassifications	IFRS adjustments having an impact on shareholders' equity	IFRS consolidated balance sheet as at 01/01/04
ASSETS						
Goodwill	1	2,410	2,410	0	233	2,643
Other net intangible fixed assets	5	277	277	0	(226)	51
Net tangible fixed assets	4,5 et 7	76,072	76,072	(144)	(1,882)	74,046
Financial fixed assets		10,557	0	0	0	0
Long-term financial assets		0	11,462	(225)	(109)	11,128
Other non-current assets		0	1,116	0	0	1,116
Deferred tax assets	9	0	2,085	0	1,163	3,248
Total fixed assets Reg nº 99-02 Total non-current assets IFRS		89,316	93,422	(369)	(820)	92,233
Inventories and work in progress		13,033	13,033	0	0	13,033
Trade debtors		28,094	28,094	0	0	28,094
Other receivables		21,594	0	0	0	0
Other current assets	5	0	17,488	(9)	(3,387)	14,092
Cash and short-term investments		32,185	32,185	0	(31)	32,154
Total current assets Reg nº 99-02/ Total current assetsd IFRS		94,906	90,800	(9)	(3,418)	87,373
Assets intended for disposal		0	0	0	0	0
TOTAL ASSETS		**184,222**	**184,222**	**(378)**	**(4,238)**	**179,606**

(€ thousands)	Notes	Published consolidated balance sheet under French GAAP as at 31/12/04	Consolidated balance sheet under French GAAP 31/12/04 IFRS presentation of current/ non-current/ elements	Other reclassifications	IFRS adjustments having an impact on shareholders' equity	IFRS consolidated balance sheet as at 01/01/04
LIABILITIES						
Share capital		22,705	22,705	0	0	22,705
Consolidated reserves		20,375	20,375	0	(12,388)	7,987
Attributable income for the period		3,217	3,217	0	(40)	3,177
Attributable shareholders' equity		46,297	46,297	0	(12,429)	33,868
Minority interests		186	186	0	(40)	146
Total shareholders' equity		46,483	46,483	0	(12,469)	34,014
Borrowings and financial liabilities		72,662	42,391	0	0	42,391
Deferred tax liabilities	9	0	729	0	0	729
Retirement benefits and similar items	8	0	77	0	76	153
Other long-term liabilities		0	369	(369)	8,155	8,155
Total non-current liabilities		N/A	43,566	(369)	8,231	51,428
Provisions for risks and charges		722	276	(9)	0	267
Borrowings and current bank facilities		0	30,271	0	0	30,271
Trade creditors		35,776	35,776	0	0	35,776
Other liabilities		28,579	27,850	0	0	27,850
Total current liabilities		N/A	94,173	(9)	0	94,164
Liabilities intended for disposal		0	0	0	0	0
TOTAL LIABILITIES		**184,222**	**184,222**	**(378)**	**(4,238)**	**179,606**

note 28.2.3. Reconciliation table of shareholders' equity as at 1 January 2004 and 31 December 2004

(€ thousands)	Notes	ATTRIBUTABLE SHAREHOLDERS' EQUITY 01/01/2004	Result for the period	Distribution of dividends	Translation difference	Others	31/12/2004	MINORITY INTERESTS 31/12/2004	TOTAL CONSOLIDATED GROUP 31/12/2004
Shareholders' equity under French GAAP		46,034	3,217	(1,710)	(947)	(297)	46,297	186	46,483
Tangible fixed assets Application of the component approach and modification of depreciation schedules for certain fixed assets, impairment	4	(1,407)	(510)	0	41	0	(1,876)	0	(1,876)
Intangible fixed assets and charges to be spread over several periods Reversal of charges to be spread over several periods and certain intangible fixed assets	5	(2,256)	(1,022)	0	108	0	(3,170)	0	(3,170)
Revenue – Reversal of revenue recognized under French GAAP (initial commissions not meeting all IFRS revenue recognition criteria)	7	(8,527)	(18)	0	390	0	(8,155)	0	(8,155)
Retirement benefits	8	(62)	(14)	0	0	0	(76)	0	(76)
Own shares – Reclassification as deduction from shareholders' equity		(36)	0	0		5	(31)	0	(31)
Other items		(534)	13	0	4	0	(517)	(40)	(557)
Total IAS/IFRS adjustments before tax		(12,822)	(1,551)	0	543	5	(13,825)	(40)	(13,866)
Effect of deferred tax on IFRS adjustments	9	0	1,274	0	(111)	0	1,163	0	1,163
Goodwill Cancellation of amortization charges	1	0	237	0	(4)	0	233	0	233
Shareholders' equity under IFRS		33,212	3,177	(1,710)	(519)	(292)	33,868	146	34,014

note 28.2.4. Transition table for the income statement from 1 January to 31 December 2004

The transition table for the income statement by type as at 31 December 2004 is as follows:

(€ thousands)	Notes	French GAAP	Reclassifications	IFRS Adjustments	Total Adjustments	IFRS
Revenues		180,583	0	0	0	180,583
Capital gains on disposals		N/A	4,547	0	4,547	4,547
Revenues from activities		N/A	4,547		4,547	4,547
Purchases and other external expenses	5	(122,385)	0	(1,987)	(1,987)	(124,372)
Personnel expenses		(11,550)	0	0	0	(11,550)
Other operating expenses and income		3,866	(4,547)	0	(4,547)	(681)
Gross operating profit		50,514	0	(1,987)	(1,987)	48,527
Net transfer to operating provisions		975	0	0	0	975
Ebitda		51,489	0	(1,987)	(1,987)	49,502
Depreciation and amortization charges and transfers to provisions	4 et 5	(6,237)	0	442	442	(5,795)
Operating income		45,252	0	(1,545)	(1,545)	43,707
Net distribution to investors		(36,862)	0	0	0	(36,862)
Operating income after distribution to investors		8,390	0	(1,545)	(1,545)	6,845
Financial income		1,246	0	(18)	(18)	1,228
Financial expenses		(4,958)	0	13	13	(4,945)
Financial result		(3,712)	0	(5)	(5)	(3,717)
Underlying pretax earnings		4,678	0	(1,550)	(1,550)	3,128
Corporation tax	9	(1,611)	0	1,274	1,274	(337)
Net income of consolidated companies		3,067	0	(276)	(276)	2,791
Amortization of goodwill		(236)	0	236	236	(0)
Income from discontinued activities		0	0	0	0	0
Net income of the consolidated Group		2,831	0	(40)	(40)	2,791
Minority interests		386	0	0	0	386
Consolidated net attributable income		3,217	0	(40)	(40)	3,177
Earnings per share		1.13				1.12

The transition table for the analytical income statement as at 31 December 2004 is as follows:

(€ thousands)	Notes	French GAAP	Reclassifications	IFRS Adjustments	Total Adjustments	IFRS
Leasing revenues		108,396	1,871	0	1,871	110,267
Sales of equipment		70,227	0	0	0	70,227
Commissions		89	0	0	0	89
Net revenues from external pools		1,871	(1,871)	0	(1,871)	0
Total revenues		180,583	0	0	0	180,583
Capital gains on disposals		N/A	4,547	0	4,547	4,547
Revenues from activities		N/A	4,547	0	4,547	4,547
Cost of sales		(65,135)	0	0	0	(65,135)
Operating expenses	5	(55,132)	0	(1,987)	(1,987)	(57,119)
Selling, general and administrative expenses		(10,314)	0	0	0	(10,314)
Capital gains on disposals		4,547	(4,547)	0	(4,547)	0
Overheads		(3,060)	0	0	0	(3,060)
EBITDA		51,489	0	(1,987)	(1,987)	49,502
Depreciation, amortization and provisions	4 et 5	(6,237)	0	442	442	(5,795)
Operating income		45,252	0	(1,545)	(1,545)	43,707
Net distributions to investors		(36,862)	0	0	0	(36,862)
Operating income after distribution to investors		8,390	0	(1,545)	(1,545)	6,845
Financial income		1,246	0	(18)	(18)	1,228
Financial expenses		(4,958)	0	13	13	(4,945)
Financial result		(3,712)	0	(5)	(5)	(3,717)
Underlying pretax earnings		4,678	0	(1,550)	(1,550)	3,128
Corporation tax	9	(1,611)	0	1,274	1,274	(337)
Net income of consolidated companies		3,067	0	(276)	(276)	2,791
Amortization of goodwill		(236)	0	236	236	(0)
Income from discontinued activities		0	0	0	0	0
Net income of the consolidated Group		2,831	0	(40)	(40)	2,791
Minority interests		386	0	0	0	386
Consolidated net attributable income		3,217	0	(40)	(40)	3,177
Earnings per share		1.13				1.12

The impacts of the transition to IFRS on the "net income of the consolidated group" (attributable share and minority interests) for the period from 1 January to 31 December 2004 are as follows:

(€ thousands)	31/12/2004
Income under French GAAP	3,217
Adjustment to tangible fixed assets (IAS 16)	(510)
Adjustment to intangible fixed assets (IAS 38) and charges to be spread over several periods	(1,022)
Adjustment to revenue (IAS 18)	(18)
Adjustment to retirement benefits (IAS 19)	(14)
Other adjustments	13
Total IFRS adjustments before tax	(1,551)
Deferred tax	1,274
Cancellation of goodwill charge	237
Income under IFRS	3,177
Net impact on the "net income of the consolidated group"	(40)
– Attributable share	(40)
– Minority interests	0

note 29. Accounting, valuation and presentation principles applied by the Group under IFRS accounting standards

note 29.1. Preliminary comments

Details are given below of the accounting, valuation and presentation principles applied by the Group under IFRS accounting standards, with the following objectives:

- highlighting and summarizing the differences as compared to the principles and methods applied by the Group under French GAAP (*cf.* Notes to the consolidated financial statements as at 31 December 2004 – reference document no. 05-820),
- informing the reader of the options selected by the Group, whether in the context of options left open by certain IFRS standards or specific adjustments proposed in standard IFRS 1 for the preparation of the opening balance sheet as at 1 January 2004.

This presentation memorandum was examined by the meeting of the Board of Directors on 17 May 2005. The information appearing in it was audited by the statutory auditors of TOUAX, who issued a positive statement on the information contained in this publication in a specific audit report.

note 29.2. Bases of the IFRS accounting standards applied by TOUAX

The TOUAX Group has defined its IFRS principles on the basis of the IFRS standards approved by the IASB and applicable on a compulsory basis to financial years commencing with effect from 1 January 2005, as adopted by the European Union, except for certain provisions of standard IAS 39 "Financial instruments, recognition and measurement". The principles set out below serve as a basis for the preparation of the IFRS 2005 accounts and have consequently been used to adjust the opening balance sheet as at 1 January 2004 and the comparative data as at 31 December 2004.

Since the IFRS standards were being applied for the first time, the TOUAX Group adhered to the specific rules for first-time adoption as defined in standard IFRS 1.

note 29.3. Non-application of standards IAS 32 and 39 in the adjusted IFRS 2004 financial statements

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 is applying the standards IAS 32 and IAS 39 with effect from 1 January 2005, but is not making any adjustment under these standards for the presentation of the opening balance sheet as at 1 January 2004 and of the comparative financial statements for 2004.

Consequently, the presentation and recognition of financial instruments and hedging transactions remain unchanged in the IFRS adjusted 2004 consolidated accounts compared to the French accounting treatment.

The application of these standards mainly concerns four interest rate swap transactions in respect of the Group's borrowings (*cf.* page 18).

note 29.4. Principles for the preparation of the opening IFRS balance sheet as at 1 January 2004 and exceptions to the general principle of retrospective application

In accordance with the IFRS 1 standard, the IFRS consolidated opening balance sheet of the TOUAX Group, drawn up on the transition date of 1 January 2004, provides initial balances for the assets and liabilities, recorded and valued in accordance with IFRS and as if the standards had been applied since the beginning of the consolidation of the Group (excluding the impact of financial instruments – *cf.* 4.3). All of the adjustments required by the retrospective application of the IFRS accounting standards are accounted for in the shareholders' equity as at 1 January 2004 in accordance with IFRS 1.

However, the TOUAX Group has made use of the following exceptions which are authorized by IFRS 1:

- The "Consolidation reserves" include the "Translation reserves" accumulated as at 1 January 2004 at the time of translation of the accounts of foreign businesses and subsidiaries, applying the closing rate method. The translation reserves thus reclassified are no longer recycled in the result in the event of a disposal of the foreign businesses or subsidiaries concerned after 1 January 2004.
- Acquisitions and business combinations occurring before 1 January 2004 have not been adjusted in accordance with the provisions of standard IFRS 3.

Furthermore, Pursuant to the option provided by standard IFRS 2 "Share-based payment", which concerns stock option and share schemes, only instruments granted after 7 November 2002 and not yet exercisable as at 1 January 2005 have been taken into account; the impact of the scheme involving 11,001 equity warrants on the Group's accounts is negligible and consequently has not given rise to an adjustment.

The information relating to the various schemes appears in the chapter entitled "Information on capital" in the reference document.

Finally, the Group has not taken up the option provided by standard IFRS 1 of revaluing certain categories of tangible fixed assets.

note 29.5. Principles applied by TOUAX in the IFRS financial statements: differences as compared to the principles applied under French GAAP / IFRS Options / Main impacts

This analysis is carried out on the basis of the main themes and is focused on the IFRS standards which have the most significant impacts on the adjustment of the 2004 financial statements under IFRS.

note 29.5.1. Presentation of the IFRS balance sheet

Presentational principles

In accordance with standard IAS 1 "Presentation of financial statements", the presentation of the consolidated balance sheet of TOUAX under IFRS complies with the classification of assets and liabilities into current and non-current elements. The balances in the balance sheet under French GAAP have been reclassified in accordance with these criteria.

Main reclassifications in the consolidated balance sheets as at 1 January and 31 December 2004

The main reclassifications on the assets side concern:

- the breakdown of the other receivables into current and non-current assets in accordance with their maturities (less than one year or more than one year at the closing date),
- presentation of deferred tax assets on a separate line of the balance sheet in the non-current assets.

The main reclassifications on the liabilities side concern:

- the breakdown of borrowings and financial debts into current and non-current liabilities in accordance with their maturities (less than one year or more than one year at the closing date),
- presentation of deferred tax liabilities on a separate line of the balance sheet in the non-current liabilities.

note 29.5.2. Presentation of the IFRS income statement

As in the French format, the TOUAX Group has chosen to continue to present its consolidated income statement under IFRS by both type and function.

In view of the fact that the "exceptional" expenses and income were already included in the operating income under French standards, the only acknowledged impact of the transition to IFRS is the presentation of the total "Revenues from activities", which includes all of the income associated with the Group's activity as an operational leasing provider, i.e. both leasing revenues (which constitute the bulk of its revenues under French GAAP) and the capital gains realized on sales of equipment in the different business segments.

The shares of income from joint operations with investors are recorded under the separate heading "Net distribution to investors" after the operating income, in the same way as in the accounts under French GAAP.

note 29.5.3. Accounting and valuation principles

1 – Goodwill

Cf. notes to the consolidated financial statements note 1.7 Page 55.

Impact on the Group's accounts

As at 1 January 2004, the goodwill is stated directly at the amount net of amortization. This becomes the new book value under IFRS, i.e. €2,649,000.

The value tests carried out as at 1 January 2004 and 31 December 2004 in accordance with IAS 36 "Impairment of assets" have not revealed any loss of value in respect of goodwill.

The cancellation of the goodwill amortization charge has a positive impact of €236,000 in the IFRS adjusted 2004 income statement.

2 – Asset securitizations: Trusts TCLRT 95, TCLRT 98 and TLRT 2001, GIE Modul Finance I

Cf. notes to the consolidated financial statements note 1.6 page 53.

3 – Leasing contracts

Cf. notes to the consolidated financial statements note 1.11 page 57.

4 – Tangible fixed assets

Cf. notes to the consolidated financial statements note 1.9 page 56.

5 – Impairment of fixed assets

Cf. notes to the consolidated financial statements note 1.10 Page 56.

Impairment tests have been carried out on certain tangible fixed assets (or groups of assets) where there is an indication of a loss of value.

Impacts in figures

Impacts of IAS 16 and IAS 36 (€ thousands)	Balance sheet as at 01/01/2004	2004 income	Translation difference	Balance sheet as at 31/12/2004
EUROBULK T.M. BV	(744)	(68)	0	(812)
TOUAX SA	(663)	24	0	(639)
River barges	(1,407)	(44)	0	(1,451)
MARSTEN TLC. WORKSPACE	0	(466)	41	(425)
Modular buildings	0	(466)	41	(425)
TOTAL	**(1,407)**	**(510)**	**41**	**(1,876)**

6 – Adjustment to charges to be spread over several periods and certain intangible fixed assets

Principles applied under French GAAP

In accordance with the French rules, the Group's balance sheet as at 1 January 2004 and 31 December 2004 showed charges to be spread over several periods, comprising principally:

- formation fees and expenses incurred for the formation and start-up of Trust TLRT 2001 (*cf.* note 2), amortized over 10 years (€1,715,000 and €1,363,000 respectively as at 1 January and 31 December 2004),
- the capitalization in 2004 of upgrade expenses for modules managed on behalf of investors, depreciated over seven years, i.e. the residual term of the management contract between the Group and the investor. The total amount was €1,380,000 as at 31 December 2004.

IFRS

Under IFRS rules, the item "Charges to be spread over several periods" does not exist. The amounts included under this heading by the application of French GAAP up to 31 December 2004 constitute expenses, unless they comply with the asset recognition criteria under IFRS (intangible asset, component of the acquisition cost of a tangible asset, etc.).

The residual amount of the formation expenses for the 2001 Trust (lawyer's fees) has therefore been reversed in the adjusted IFRS accounts. It has been considered that the module upgrade expenses incurred by TOUAX SA in 2004 did not meet all of these asset criteria) and could not therefore constitute an eligible asset under IFRS. Other less significant amounts have been reversed for similar reasons from the intangible fixed assets or charges to be spread over several periods.

Impact on the accounts of the Group

Impacts of IAS 38 and IAS 16 (€ thousands)	Balance sheet as at 01/01/2004	2004 income	Translation difference	Balance sheet as at 31/12/2004
Leasco 2 - Formation expenses	(1,715)	249	103	(1,363)
Other items	(77)		6	(72)
Shipping containers	(1,792)	249	108	(1,435)
TOUAX SA - upgrading of modules	(6)	(1,374)		(1,380)
Other items	(458)	103		(355)
Modular buildings	(464)	(1,271)	0	(1,735)
TOTAL	**(2,256)**	**(1,022)**	**108**	**(3,170)**

7 – Recognition of revenue

Recap of the situation

In the "Shipping containers" business, initial commissions received by the TOUAX Group on the first sales of containers to the Trusts TCLRT 98 and TLRT 2001 have been used to create collateral deposits and liquidity reserves which are only 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 leasing revenues redistributed by the TOUAX Group to the Trusts prove insufficient.

Principles applied under French GAAP

The initial commissions have been entered in revenues at the time of the sale of the containers.

IFRS

The substantive analysis of the management and securitization contracts has been carried out in order to validate the recognition of revenue and expenses under IFRS. The general principles of revenue recognition in IAS 18 "Revenue", reinforced by EITF interpretation 99-19 (US GAAP), result in the TOUAX Group being considered to be the principal in its relationships on the one hand with investors (pools, Trusts or GIE) and on the other hand with customers. The Group is therefore justified under IFRS, and under French standards, in recording in its income statement all of the revenue and expenses flows generated by the contracts.

The revenue recognition rules in IAS 18 "Revenue" are stricter and more precise than the French rules. Thus the economic benefits associated with the initial commissions will only become probable when the TOUAX Group is able to recover the collateral deposits and liquidity reserves. Under these circumstances, and in accordance with IAS 18, the initial commissions received, up to the level of the collateral deposits and liquidity reserves, do not constitute revenue. They must be deferred until the probable recovery of these deposits and liquidity reserves. The revenue recognized under French GAAP at the beginning of the Trusts in respect of "initial commissions" – up to the level of the deposits and liquidity reserves – is cancelled in the IFRS financial statements and is entered in the liabilities of the balance sheet in an "other non-current liabilities" account.

In the "Modular buildings" business, the same treatment is applied under IFRS 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 recorded under French GAAP at the start-up of the GIE is reversed under IFRS, up to the amount of the financial assets created to guarantee the GIE, and is entered in the liabilities of the balance sheet in an "other non-current liabilities" account. It will only be entered in the result when the associated economic benefits become probable for the Group.

Impacts on the accounts of the Group

Impacts of IAS 18 (€ thousands)	Balance sheet as at 01/01/2004	2004 income	Translation difference	Balance sheet as at 31/12/2004
Initial commissions				
Leasco 1 (1)	(2,982)		217	(2,765)
Leasco 2 (2)	(2,375)		173	(2,202)
Shipping containers	(5,357)	0	390	(4,967)
Modular buildings (GIE Modul Finance I) (3)	(3,170)	(18)		(3,188)
TOTAL	**(8,527)**	**(18)**	**390**	**(8,155)**

(1) Deferred income up to the amount of the liquidity reserve ($3.8 million) formed for Trust TCLRT 98 – *cf.* note 23 in the notes to the consolidated financial statements.

(2) Deferred income up to the amount of the collateral deposit ($3 million) formed on the creation of Trust TLRT 2001 – *cf.* note 23 in the notes to the consolidated financial statements.

(3) Deferred income up to the amount of the original collateral deposit with the GIE – *cf.* note 23 in the notes to the consolidated financial statements.

8 – Employee benefits

Differences between IFRS and French GAAP

The work carried out on identifying and qualifying retirement schemes and similar benefits has not revealed any new obligations under IAS 19 "Employee benefits" as compared to the schemes identified under French standards. The commitments recorded only relate to retirement benefits for the employees of the French companies.

In the French accounts the provision is calculated on a partial basis. The pension commitments have been recalculated in accordance with the valuation methods of IAS 19 (discounting of commitments, application to all employees).

As under French GAAP, all of the charge for the year is recorded in the operating expenses.

No significant actuarial difference has been revealed in the calculations of the commitments as at 1 January 2004 and 31 December 2004.

Impacts on the accounts of the Group

The impacts of the recognition of pension commitments in accordance with IAS 19 are not significant.

9 – Deferred tax

The rules on the recognition of deferred tax in accordance with IAS 12 differ little from the rules applied by TOUAX in the consolidated financial statements under French GAAP.

The deferred tax is never discounted under IFRS (for example, provisions for retirement and similar benefits).

Under IFRS, the tax assets and liabilities relating to a single tax entity (for example a fiscal integration group) are shown in the balance sheet after set-off. The net deferred tax assets and the net deferred tax liabilities are then presented in separate headings in the balance sheet, among the non-current assets and non-current liabilities respectively.

Taken collectively, the preceding adjustments made in the context of IFRS have a negative effect on the Group's shareholders' equity, leading initially to the recording of a deferred tax asset.

In the case of the American fiscal group (TOUAX Corp.), the analysis of the potential for recovery from future profits results in no additional deferred tax asset being recorded as at 1 January 2004. The same analysis as at 31 December 2004 leads to the recognition of a deferred tax asset of €1,274,000.

For the French and Dutch fiscal integration groups, no additional net deferred tax asset has been recorded as at 1 January 2004 and 31 December 2004, in view of the low probability of recovery from future taxable profits.

note 29.6. Levels of segment reporting applied by the TOUAX Group

Cf. notes to the consolidated financial statements note 1.21 page 61.

Statutory auditors

Report of the statutory auditors to the shareholders – Consolidated financial statements

For the financial year ending 31 December 2005
To the shareholders of TOUAX

In accordance with our appointment as statutory auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of TOUAX for the year ended 31 December 2005.

The consolidated financial statements have been approved by the Management Board. It is our role to express an opinion on these financial statements based on our audit. These financial statements have been prepared for the first time in accordance with IFRS accounting standards as adopted in the European Union. They include on a comparative basis the data relating to 2004, adjusted in accordance with the same rules, except for standards IAS 32 and IAS 39, which, in accordance with the option made available by the standard IFRS 1, are only being applied by the company with effect from 1 January 2005.

1. Opinion on the consolidated financial statements

We carried out our audit according to the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit consists of examining the data contained in the accounts using sampling techniques. An audit also involves assessing the accounting principles used and significant estimates made in preparing the financial statements, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the consolidated financial statements give a true and fair view of the assets and financial situation of the Group as of 31 December 2005 and the results of its operation for the year then ended in accordance with IFRS standards as adopted in the European Union.

2. Justification of our assessment

In accordance with the provisions of article L.823-9 of the Commercial Code relating to the justification of our assessment, we would draw your attention to the following:

As stated in paragraph 1.3 of the notes, the management of the TOUAX Group produces estimates and formulates assumptions relating principally to the valuation of long-term assets (goodwill, tangible fixed assets, amounts receivable from the Trusts and from GIE Modul 1) and deferred tax assets:

- With regard to the main long-term assets, the valuation method for which is described in notes 1.6, 1.7, 1.9 and 1.10 of the notes to the consolidated financial statements, we have examined the methods used by the company to carry out the impairment tests on these assets and the cash flow forecasts and assumptions used and we have verified the adequacy of the information provided in notes 1.6, 1.7, 1.9, 1.10, 13, 14 and 15 of the notes to the consolidated financial statements.
- With regard to deferred taxes, the composition of which is set out in §1.18 of the notes to the consolidated financial statements, we have assessed the information and the assumptions on which these management estimates are based, reviewing the calculations made by the company, in particular with regard to the recovery of these assets; we have also reviewed the adequacy of the information provided in notes 1.18, 12 and 26 of the notes to the consolidated financial statements.

On this basis we have assessed the reasonableness of the estimates made.

The assessments made form part of our audit of the consolidated financial statements as a whole and have therefore contributed to the formation of our unqualified opinion expressed in the first part of this report.

3. Specific verification

We have also verified the information provided in the report on the management of the Group, in accordance with the professional standards applicable in France. We have no observations to make with regard to its fairness and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 31 May 2006

The Statutory Auditors

LEGUIDE NAÏM & ASSOCIES	DELOITTE & ASSOCIES
Paul NAÏM	Bertrand de FLORIVAL

Auditors' fees

(€ thousands)	Deloitte & Associés				Leguide, Naïm & associés			
	Amount		%		Amount		%	
	2005	2004	2005	2004	2005	2004	2005	2004
AUDIT								
Auditing, certification and examination of company and consolidated financial statements	344	290			63	62		
Ancillary duties	128	79			10			
Total audit	471	369	100%	85%	73	62	100%	100%
OTHER SERVICES								
Legal, tax and social		63						
Information technology								
Internal audit								
Other services								
Total for other services	0	63	0%	15%	0	0	0%	0%
TOTAL	471	431	100%	100%	73	62	100%	100%

(€ thousands)	Other networks				TOTAL			
	Amount		%		Amount		%	
	2005	2004	2005	2004	2005	2004	2005	2004
AUDIT								
Auditing, certification and examination of company and consolidated financial statements	12	52			419	404		
Ancillary duties					138	79		
Total audit	12	52	100%	100%	557	483	100%	88%
OTHER SERVICES								
Legal, tax and social						63		
Information technology								
Internal audit								
Other services								
Total for other services	0	0	0%	0%	0	63	0%	12%
TOTAL	12	52	100%	100%	557	546	100%	100%

Financial information concerning the assets, financial position and results of the issuer

Dividend distribution policy

The company maintains a policy of regularly distributing annual dividends which vary according to results. There is no fixed distribution rule, such as a specific percentage of net income or of share price. The company does not pay interim dividends.

Dividends which are unclaimed after five years are paid to the Caisse des Dépôts et Consignations by the distributing organization.

History of dividend distribution

(€)	2002	2003	2004	2005
Net dividend	0.60	0.25	0.60	0.70
Tax credit	0.30	0.125		
Total income	0.90	0.375	0.60	0.70
Number of shares	**2,838,127**	**2,838,127**	**2,838,127**	**3,764,919**
Dividends	1,702,876	709,532	1,702,876	2,635,443
Repayment of contribution				
Exceptional dividend		993,344		
Total distributed	**1,702,876**	**1,702,876**	**1,702,876**	**2,635,443**

The 2005 dividend is being proposed by the Management Board at the next meeting, which is due to be held on 28 June 2006.

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any proceedings which to the Group's knowledge are pending or threatened) which have had or could have a significant effect on the financial situation or profitability of the Group for a period covering the last 12 months.

Significant change in the financial or commercial situation

No significant change has taken place in the financial or commercial situation of the Group since the end of the last financial year for which the financial statements have been audited.

Additional information

Share capital

Historical information on the share capital as at 31 december 2005

Date	Capital	Issue premium	Accumulated number of shares	Nominal	Nature of operations
1976	3,121,200		62,424	FRF 50	Incorporation of reserves, free distribution of 5,675 shares (1 new share for 10 old shares)
1978	3,433,300		68,666	FRF 50	Incorporation of reserves, free distribution of 6,242 shares (1 new share for 10 old shares)
1980	4,119,950		82,399	FRF 50	Incorporation of reserves, free distribution of 13,733 shares (1 new share for 5 old shares)
1986	25,324,500		253,245	FRF 100	Incorporation of reserves, free distribution of 202,596 shares (4 new shares for 1 share of FRF 100)
1990	33,766,000		337,660	FRF 100	Incorporation of reserves, free distribution of 84,415 shares (1 new share for 3 old shares)
1992	45,021,300		450,213	FRF 100	Incorporation of reserves, free distribution of 112,553 shares (1 new share for 3 old shares)
1992	56,276,600	3,376,590	562,766	FRF 100	Issue of 112,553 shares at FRF 130 (1 new share for 3 old shares) Amount of increase in cash FRF 14,631,890
1994	68,782,400	5,627,610	687,824	FRF 100	Issue of 125 058 shares at FRF 145 (2 new shares for 9 old shares) Amount of increase in cash FRF 18,133,410
1995	103,173,600		1,031,736	FRF 100	Incorporation of reserves, free distribution of 343,912 shares (1 new share for 2 old shares)
1998	103,173,600		2,063,472	FRF 50	Halving of nominal value
	103,206,650		2,064,133	FRF 50	Creation of 661 shares following merger with Financière TOUAX
1999	110,922,000	31,000,824	2,218,444	FRF 50	Issue of 154,307 shares following the exercise of subscription warrants (1 share for 5 subscription warrants)
2000	118,255,300	28,744,171	2,365,106	FRF 50	Issue of 146,666 shares following the capital increase reserved for ALMAFIN
2001	141,906,350		2,838,127	FRF 50	Allocation of one free share for five old shares
	22,705,016		2,838,127	€ 8	Conversion of the capital into euros
2005	22,793,024	44,004	2,849,128	€ 8	Issue of 11,001 shares following the exercise of 11,001 of subscription warrants
	30,119,352	10,630,896	3,764,919	€ 8	Issue of 915,791 shares following the exercise of subscription warrants (3 shares for 7 subscription warrants)

Subscribed capital

The capital is fully subscribed and paid up.

Shares not representing capital

There are no shares which do not represent capital.

Composition of the capital

As at 31 December the capital comprises 3,764,919 shares which have a par value of €8 and are fully paid up. Following a reserved capital increase adopted at the Annual General Meeting of 31 January 2006, the capital as at the date of compilation of this document comprises 3,885,519 shares which have a par value of €8 and are fully paid up, representing 5,128,031 voting rights.

Potential capital

The share subscription or purchase options and equity warrants granted by TOUAX SCA are detailed in the notes to the consolidated financial statements note 21 Page 80.

Stock market data

Historical background

The TOUAX share was listed on the "Marché comptant" in Paris on 7 May 1906. It was transferred to the Second Marché on 14 June 1999. On 2 January 2002, TOUAX became part of the NextPrime segment of the Euronext market. Since that date, the TOUAX share has formed part of the sample making up the NextPrime index. Following a restructuring of the listing, TOUAX has formed part of compartment C of Eurolist Paris.

The TOUAX share price

The TOUAX share ended 2005 at €23.45, a rise of 13.83% compared to the price on 31 December 2004 (€20.60). The highest level of the year was reached on 22 March 2005 at €23.72, the lowest level on 18 April 2005 at €19.25.

As at 31 December 2005, the market capitalization of the Group amounted to €88.29 million.

(€)	2001	2002	2003	2004	2005
Consolidated data					
Total number of shares as at 31 December [2]	2,838,127	2,838,127	2,838,127	2,838,127	3,764,929
Net dividend per share	0.36	0.60	0.25	0.60	0.70
Tax credit [1]	0.18	0.30	0.125	0.00	0.00
Total dividend per share	0.54	0.90	0.375	0.60	0.70
Repayment of contribution / Exceptional distribution per share	0.24	–	0.35	–	–
Total per share	0.78	0.90	0.725	0.60	0.7 [2]
Total distributed in respect of the financial year	1,702,876	1,702,876	1,702,876	1,702,876	2,635,443
Increase in distribution	5 %	0 %	0 %	0 %	55 %
Share ratios					
Net earnings per share	1.03	0.89	0.91	1.12	1.4
P.E.R. [4]	17.53	13.85	16.43	18.39	16.75
Total return on share (%)	4.32	7.30	4.85	2.91	3.00 [3]
Share data					
Maximum price of the share	27.44	19.50	16.75	21.20	23.72
Minimum price of the share	14.80	11.00	9.80	14.55	19.25
Price on 31 December	18.06	12.33	14.95	20.60	23.45
Market capitalisation (M€) on 31 December	51.26	34.99	42.43	58.47	88.29
Average daily trading volume (€ thousands)	13.69	5.84	9.98	18.93	94.04
Average daily number of shares traded	639	364	764	1,038	4,385

(1) The tax credit is equal to 50% of the net dividend for individual shareholders resident in France.

(2) The figures for the 2005 distribution have been drawn up on the basis of the proposal of the Managers to the General Meeting.

(3) The total return on the share for 2005 is calculated on the basis of the price on 31 December 2005.

(4) Ratio of market capitalization to net income (Price Earnings Ratio).

Share transactions in the last 18 months

The TOUAX share is listed on the Paris stock exchange, in the NextPrime segment of the Euronext market – Eurolist compartment C. ISIN Code FR0000033003 – Reuters TETR. PA – Bloomberg TOUPFP equity.

(€)	Highest share price	Lowest share price	Latest price	Number of shares traded	Amount traded in capital (€ thousands)
November 2004	19.95	18.61	19.85	19,567	381.93
December 2004	21.2	19.7	20.6	72,206	1,461.00
January 2005	23.28	19.43	23.28	48,510	1,055.08
February 2005	23.63	22.5	23.28	36,214	863.21
March 2005	23.72	20.87	23.23	63,175	1,508.13
April 2005	23.28	19.25	22.59	38,328	873.53
May 2005	21.1	19.58	20.04	12,436	258.87
June 2005	20.17	19.69	20.11	4,402	90.13
July 2005	-	-	-	-	-
August 2005	21.33	19.89	20.08	95,892	1,989.35
September 2005	23.67	19.6	21.39	369,046	7,666.40
October 2005	23.13	21.73	22.7	34,523	807.93
November 2005	22.69	20.11	21.45	239,547	5,054.94
December 2005	23.45	21.5	23.45	44,599	990.31
January 2006	26.50	23.00	24.20	73,650	1,826.09
February 2006	27.30	24.10	26.49	103,290	2,647.13
March 2006	26.04	23.20	24.50	329,882	8,228.76
April 2006	26.19	24.00	25.00	141,575	3,548.34

Provisions of the 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.

There exists between:

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.

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 in particular:

• The purchase, leasing, financing, sale, operation and maintenance of all standardized, mobile equipment, including 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 (extract from article 20)

The rights to profit 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 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.

The general meeting may also resolve to distribute any sum deducted from the reserves which it has at its disposal indicating expressly the reserve items from which the deductions are made.

General Partners' rights to the results (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 grants its approval.

Members of the Supervisory Board (extract from article 12 "Supervisory Board")

The members of the Supervisory Board shall be appointed by the Ordinary General Meeting for a period of one year (article 12.1)

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

General meetings (extract from article 18 "meetings of shareholding limited partners")

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

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 auditors (article 18.2 "convening of meetings – agenda")

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, on production of proof of identity and ownership of his bearer shares: the period in which these formalities must be completed expires three days before the date of the meeting. (article 18.3 "admission – holding of meetings").

Voting right (extract from article 9 "rights attached to each share")

A double voting right 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.

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. (extract from article 9.4)

Identifiable bearer shares

The company may at any time request SICOVAM 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 modified the legal form of the company, converting the limited company TOUAX SA into a partnership limited by shares bearing the name TOUAX SCA.

Article 6 "Share capital" of the articles of association was amended on 7 October 2005, 28 November 2005 and 6 February 2006.

Exceeding of thresholds

Only the exceeding of legal thresholds must be respected.

Significant contracts

There are no significant contracts other than those concluded in the normal course of business.

No contracts other than those concluded in the normal course of business have been entered into by any member of the Group containing provisions conferring upon any member of the Group an important obligation or liability for the whole of the Group as at the date of the registration document.

Information from third parties, experts' statements and declarations of interest

Not applicable.

Documents accessible to the public

Throughout the period of validity of the present reference document, the articles of association, auditors' reports and the financial statements for the last three financial years, as well as all reports, correspondence and other documents, historical financial information on TOUAX SCA, the Group and its subsidiaries for the last three financial years, assessments and declarations drawn up by experts, insofar as such documents are required by law, and any other document required by law, may be consulted at the company's offices. It should also be noted that the reference documents including the financial statements and auditors' reports are available electronically on the Group's internet site (www.touax.com).

Information on participating interests

The Group indirectly owns a significant subsidiary, GOLD Container Corp, a company registered under the law of the United States. The key figures for this company are presented Page 30.

Reports of the Managers

Management report

International accounting standards (IFRS – International Financial Reporting Standards)

The 2005 consolidated financial statements have been prepared in accordance with IFRS pursuant to the regulations in force. The 2004 consolidated financial statements have been adjusted in accordance with these standards. The accounting differences between the French standards previously used and the international standards are detailed in the 2004 reference document which was filed with the Autorité des Marchés Financiers on 3 June 2005 under the number D.05-820 and are reproduced in the notes to the 2005 financial statements included in this reference document.

The standards IAS 32 and IAS 39 relating to financial instruments came into force in 2005. The application of these standards by the Group generated a negative impact of €0.5 million on the Group's shareholders' equity as at 1 January 2005, corresponding to the discounting of financial assets and liabilities (-€0.4 million) and the valuation of interest rate swaps (-€0.1 million).

Amendments to the articles of association

The limited company TOUAX SA was converted into a partnership limited by shares by the decision of the Extraordinary General Meeting of 30 June 2005.

Changes in the scope of consolidation

On 1 December 2005, TOUAX SCA acquired 49% of the shares of TOUAX RAIL Limited from Almafin NV. Following this transaction, TOUAX SCA holds 100% of TOUAX RAIL Ltd. The companies are all fully consolidated as at 31 December 2005.

This acquisition has an impact of €10,977,000 on revenues and of €750,000 on the result.

If the acquisition had taken place on 1 January 2005, the Group's revenues and result would have been €229,923,000 and €4,586,000 respectively, compared to €221,992,000 and €4,083,000 according to the consolidated financial statements.

Revenues for the period

The Group's consolidated revenues amount to €222.0 million, compared to €180.6 million in 2004, an increase of €41.4 million (+23%). On a like-for-like basis and at constant exchange rates, revenues rose 17%.

Analysis by business segment

Operating revenues by business segment (€ thousands)	2005	2004	Change 2005/2004	Change %
SHIPPING CONTAINERS	114,933	102,908	12,025	12%
Leasing revenues	53,813	45,269	8,544	19%
Sales of equipment	61,072	57,587	3,485	6%
Sundry items	48	52	(4)	-8%
MODULAR BUILDINGS	45,278	37,114	8,164	22%
Leasing revenues	36,592	31,161	5,431	17%
Sales of equipment	8,686	5,953	2,733	46%
RIVER BARGES	31,032	29,119	1,913	7%
Leasing and transport revenues	31,031	29,119	1,912	7%
Sales of equipment	1	0	1	na
RAILCARS	30,758	11,379	19,379	170%
Leasing revenues	6,541	4,655	1,886	41%
Sales of equipment	24,167	6,687	17,480	261%
Sundry items	50	37	13	35%
Others items (sundry and eliminations)	(10)	63	(73)	na
TOTAL	221,991	180,583	41,408	23%

Analysis by geographic region

Operating revenues by geographic region (€ thousands)	2005	2004	Change 2005/2004	%
International	114,908	102,866	12,042	12%
Europe	96,198	70,986	25,212	36%
United States	10,885	6,731	4,154	62%
TOTAL	**221,991**	**180,583**	**41,408**	**23%**

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.

The growth in revenues (+€41.4 million; +23%) is made up as follows:

Shipping containers business

Revenues in the shipping containers business grew by €12.0 million (+11.66% compared to 2004). This increase is mainly due to the growth in leasing revenues (+19%) following the increase in the fleet under management and sales of containers to investors under new management programs (+6%).

Modular buildings business

Revenues in the modular buildings business amounted to €45.3 million (compared to €37.1 million in 2004), showing a rise of 22% due to an improvement in utilization rates (75.2% in 2005 compared to 73.6% in 2004) and an increase in the fleet.

River barges business

Revenues in the river barges business amounted to €31 million, compared to €29.1 million in 2004, i.e. a rise of 6.6%. This rise is mainly due to the increase in leasing revenues resulting from an improved utilization rate.

Railcars business

Revenues in the freight railcars business amounted to €30.8 million, a rise of 170% compared to €11.4 million in 2004. Equipment sales grew by €17.5 million. Railcar leasing revenues increased by 42% due to the increase in volumes under management. It should also be noted that 100% of this business was acquired on 1 December 2005.

Results

Results (€ thousands)	2005	2004	Change 2005/2004
SHIPPING CONTAINERS			
Gross operating margin of the business segment (EBITDA)	44,579	36,859	7,719
Segment result before distribution to investors	43,528	36,569	6,960
Leasing revenues due to investors	(38,384)	(31,314)	(7,070)
Segment result after distribution to investors	5,144	5,255	(111)
MODULAR BUILDINGS			
Gross operating margin of the business segment (EBITDA)	10,985	7,937	3,048
Segment result before distribution to investors	7,296	4,230	3,067
Leasing revenues due to investors	(5,494)	(4,027)	(1,467)
Segment result after distribution to investors	1,802	203	1,600
RIVER BARGES			
Gross operating margin of the business segment (EBITDA)	5,008	3,748	1,260
Segment result before distribution to investors	2,593	2,218	375
Leasing revenues due to investors	(593)	(746)	153
Segment result after distribution to investors	2,000	1,472	528
RAILCARS			
Gross operating margin of the business segment (EBITDA)	5,595	3,952	1,643
Segment result before distribution to investors	5,309	3,793	1,516
Leasing revenues due to investors	(2,210)	(775)	(1,435)
Segment result after distribution to investors	3,099	3,018	81
Total			
Gross operating margin of the business segment (EBITDA)	66,167	52,496	13,671
Segment result before distribution to investors	58,726	46,810	11,916
Leasing revenues due to investors	(46,681)	(36,862)	(9,819)
Segment result after distribution to investors	12,045	9,948	2,097
Other items (sundry, overheads)	(3,419)	(3,103)	(316)
Operating income after distribution to investors	8,626	6,845	1,782
Financial result	(2,668)	(3,717)	1,049
Underlying pretax earnings	5,958	3,127	2,831
Tax	(2,318)	(337)	(1,981)
Consoolidated net income	3,640	2,790	850
Minority interests	442	387	55
Net attributable income	4,082	3,177	906

Shipping containers business

As at 31 December 2005, the shipping containers business shows an increase in its gross operating margin (EBITDA) and in its segment result before net distributions to investors. The segment result after net distributions to investors decreased slightly. This change is explained by a decrease in sales margins offset by a rise in management margins and a decrease in the overheads of the business. The decrease in sales margins results from a slowdown in demand which was observed in China from April 2005 but reversed in February 2006.

Modular buildings business

The gross operating margin of the modular buildings business increased by €3 million in 2005. The segment result after net distributions to investors rose by €1.6 million. The growth in modular buildings corresponds to an increase in sale and leasing margins following very tight cost control.

River barges business

The river barges business achieved an improvement in its gross operating margin in 2005 (+€1.2 million) and in its segment result after distribution to investors (+€0.5 million) compared to 2004. This improvement is mainly due to sustained activity on the Mississippi and the Danube.

Railcars business

The gross operating margin of the railcars business increased by €1.6 million. The segment result after distribution to investors has stabilized with new management programs.

Distribution to investors

The Group manages equipment belonging to investors. The distribution to investors represents the portion of the results generated from equipment managed on behalf of third parties.

The distributions to investors amounted to €46.7 million (compared to €36.9 million in 2004) and were made up as follows:

- €38.4 million in the shipping containers business,
- €5.5 million in the modular buildings business,
- €0.6 million in the river barges business,
- €2.2 million in the railcars business.

The overall rise in distributions to investors is due to the conclusion of new management programs in 2004 and 2005.

It should be recalled that the leasing revenues include leasing revenues on behalf of third parties and leasing revenues for the company's own account. The change in the rate of revenue distribution results from the change in the mix of leasing/sales revenues combined with the change in the mix of third-party/own account leasing revenues. In other words, the higher the third-party leasing revenues, the higher the rate of revenue distribution. The conclusion of new management programs in 2004 and 2005 generated an increase in the proportion of third-party leasing revenues and consequently led to an increase in distributions to investors. The Group managed €687 million of equipment in 2005, 79% of which belonged to third parties. In 2004, the Group managed €541 million of equipment, of which 77% belonged to third parties. The rate of distribution to investors as a proportion of leasing revenues consequently increased, from 34% in 2004 to 36.5% in 2005. It is not relevant to calculate the revenues on behalf of third parties. These are revenues generated by equipment pools in which the Group owns a share of the equipment.

Operating income after distribution to investors

Operating income after distribution to investors corresponds to the operating result defined by the CNC.

Operating income after distribution to investors amounted to €8.6 million, a rise of 26% compared to €6.8 million in 2004.

Financial result

The financial result shows a loss of €2.7 million, compared to €3.7 million in 2004.

The net financial expense amounted to €3.3 million and the currency effect was positive at €0.6 million in 2005. In 2004, the net financial expense amounted to €3.3 million and the currency effect was negative at €0.4 million.

The change in the financial result (+€1 million) is mainly due to the positive currency effect following the appreciation of the dollar against the euro.

Net attributable income

The tax figure is a charge of €2.3 million compared to a charge of €0.3 million in 2004. The 2005 tax comprises the portion of tax due (€0.4 million) and the portion of tax deferred (€1.9 million). For the record, the tax figure in 2004 included a tax credit of €1.1 million.

The consolidated net attributable income amounted to €4.1 million, a rise of 28.1% compared to the 2004 result of €3.2 million.

Net earnings per share amounted to €1.40 (€1.12 in 2004) for weighted average shares of €2,923,486 in 2005.

Consolidated balance sheet

The consolidated balance sheet total was €206.3 million in 2005, compared to €179.6 million in 2004.

Total non-current assets amounted to €122.5 million, compared to €92.2 million in 2004, and shareholders' equity amounted to €56.2 million, compared to €34 million. The increase in shareholders' equity is due in particular to the €18.1 million increase in the capital of TOUAX SCA.

The non-current liabilities amounted to €54.8 million, a rise of €3.3 million compared to 2004 (€51.5 million). The consolidated net financial debt (after deduction of cash and short-term investments) amounted to €65.4 million, a rise of €24.9 million compared to €40.5 million in 2004.

Company financial statements

The revenues of TOUAX SCA amounted to €29.5 million in 2005 compared to €37.4 million in 2004. The 21% decrease was due to a slowdown in trading sales (-79.8%). The net income amounted to €1.2 million, compared to €2.9 million in 2004. The balance sheet total of TOUAX SCA amounted to €104.4 million, compared to €86 million in 2004.

The non-deductible expenses amounted to €614,000. These largely comprise unrealized foreign exchange losses (€234,000), provisions for paid leave (€124,000) and various non-deductible expenses such as the organic contribution, flat-rate tax and charges on automobiles.

The following changes of accounting method have taken place:

- the provision for retirement benefits in 2005;
- charges to be spread over several periods are no longer recorded in 2005.

The impact of the changes on the opening shareholders' equity and on the income statement is not significant.

Recent events

The group is not aware of any recent event since the close of the financial year which is liable to have a significant impact on its financial position or any influence on the share price.

Results of the company in the last five years

	(€ thousands)	2001	2002	2003	2004	2005
I	CAPITAL AT END OF YEAR					
	a) Share capital	22,705,016	22,705,016	22,705,016	22,705,016	30,119,352
	b) Number of ordinary shares inexitence	2,838,127	2,838,127	2,838,127	2,838,127	3,764,919
II	OPERATIONS AND RESULTS FOR THE YEAR					
	a) Revenues including tax	34,614,709	31,666,393	28,335,508	37,321,936	29,533,885
	b) Income before tax and calculated charges (dépréciations, amortization and provisions)	3,596,845	6,797,863	5,151,901	2,822,098	1,234,925
	c) Corporate tax	43,873	992,859	1,022	0	41,250
	d) Employee profit sharing due in respect of the year	naught	naught	naught	naught	naught
	e) Income after tax and calculated charges	909,524	3,133,608	1,795,505	2,856,845	1,193,675
	f) Distributed income	1,023,829	1,702,877	1,702,876	1,702,877	2,635,443 (1)
III	EARNING PER SHARE					
	a) Income after tax but before calculated charges (dépréciations, amortization and provisions)	1.27	2.05	1.82	0.99	0.32
	b) Income after tax and calculated charges (dépréciations, amortization and provisions)	0.32	1.10	0.63	1.01	0.31
	c) Net dividend allocated to each share	0.36	0.60	0.60	0.60	0.70
IV	PERSONNEL					
	a) Average number of employees during the year	35	31	23	28	30
	b) Total payroll during the year	1,705,144	1,737,296	1,606,696	1,658,213	1,944,918
	c) Total paid in respect of social benefits during the year (Social security, sociale services, etc.)	807,436	753,779	744,637	735,656	926,575

(1) Proposal of Management Board of 29/03/2006 to the General Meeting

Research and development activity

The Group has no research and development activity.

Dividend distribution policy

The company maintains a policy of regularly distributing annual dividends which vary according to results. There is no fixed distribution rule, such as a specific percentage of net income or of share price. The company does not pay interim dividends.

Dividends which are unclaimed after five years are paid to the Caisse des Dépôts et Consignations by the distributing organization. A historical overview of the distribution policy is presented page 112.

Treasury stock

There is no treasury stock (TOUAX SCA shares held by its subsidiaries). An organigram of the Group appears page 29 and a list of subsidiaries appears in the consolidated financial statements in note 2.2 page 63.

Own shaes held

As at 31 December 2005, the company held 4,793 of its own shares. These shares were acquired as part of the repurchase program approved by the AMF on 9 June 2005 (nº 05-526). Historical details of movements in TOUAX's holdings of its own shares are set out page 45.

note 29.7. Remuneration of company officers

Total remuneration paid to company officers in 2005 amounted to €465,900. Details can be found page 39.

Offices and functions of company officers

The report of the Chairman of the Supervisory Board specifies the offices and functions of the company officers (page 131).

Current delegations of power granted by the General Meeting

The combined general meeting of 30 June 2005 granted the managers the possibility of increasing the share capital to €20 million par value in one or more increases in share capital, immediately or in the future, in cash with elimination of pre-emptive right by the creation and issue, with or without issue premium, of ordinary shares, warrants and/or any other transferable securities giving access to the capital of the company.

The Managers effected a capital increase of €7.3 million during the 2005 financial year.

Distribution of voting rights

There is no category of shares which do not represent capital. A historical overview of the distribution of capital and voting rights is analyzed page 42.

Regulated agreements

The regulated agreements are as follows:

Subsidiaries concerned (in thousands)	Financial institutions benefiting from the security	Amount of security proovided in previous year and still in force	Amount of security provided in 2005	Outstanding creditor security provided
GOLD Container Finance	Fortis Bank	$2,500		
TOUAX Capital				6,479 €
SIKO	Fortis Lease	225 €		6,662 €
WORKSPACE	South Trust Unimat Bank of America	$359 $4,283		
TOUAX España	Ing Lease Fortis Spain BBVA Banesto	1,522 € 1,500 € 250 € 175 €		
TOUAX BV	KBC Lease	867 €		0 €
TOUAX NV	KBC Lease KBC Vendor Lease	503 € 994 €		
Interfeeder Ducotra	Rabobank	600 €		
EUROBULK	Rabobank	12,452 €		
TOUAX Conteneurs Services	Crédit Lyonnais	Merger of interest scales		
TOUAX Modules Services	Bail Ecureuil Crédit Lyonnais	3,089 € Merger of interest scales Tax unit agreement		
TOUAX Rail	Fortis Lease Slibail	4,093 € 3,113 € Contract for management of 357 railcars		
TOUAX Rail Finance	Trinity Rail	13,200 €	7,303 €	
GOLD Container corporation	ABN Amro Unimat Capital Equipement Finance Nordea	$250 16,544 € $1,486 $739 Contract for management of 2,445 containers	Contract for management of 1,945 TEU	0
TOUAX Corp	Crédit Lyonnais	$3,500		3,188 €

Risk factors

The risks are detailed in the paragraph "risk factors" on page 17 of the reference document.

Financial risk is managed by the Finance Department, to which the Group's central treasury departments and management program administration are attached.

The purpose of the Administrative and Accounting department is to produce reliable accounting and financial information, communicate such information, monitor other risks and in particular the counterparty risk, establish administrative, accounting and financial procedures and conduct the legal and fiscal monitoring of the Group.

The main risks are as follows:

Financial risks

The risks are market risks (interest and exchange rates), the liquidity risk and the equity risk.

Legal risks

Provisions are created in respect of risks once an expense is likely in accordance with article L 123-20 article 3 of the Commercial Code.

Industrial and environmental risks

These risks relate particularly to economic, political, geopolitical, technological, supply, asset loss, climate and environmental risks.

Dependence risk

The Group has no significant dependence on any third party or public authority.

Management risk

A significant portion of the assets managed by the Group belongs to third-party investors or financial vehicles which may decide to change manager.

Insurance – risk cover

The Group has a systematic policy of insuring its tangible assets and general risks.

Appropriation of the result

The Managers will submit the following proposed appropriation of the result to the next General Meeting:

Result for the year	1,193,675
Remuneration of General Partners in accordance with articles of association	-122,477
Plus retained earnings	693,928
Profit for distribution	1,765,127
Appropriation to legal reserve	59,684
Distribution of a dividend of €0.7 to 3,764,919 shares	2,635,443
Deduction from issue premium	-930,000
Total profit distributed	1,765,127

Environmental and social information

The group does not operate any potentially dangerous industrial sites classified as "SEVESO" sites. A site is classified as "SEVESO" if it presents a major risk for surrounding populations in the event of a serious accident.

The group has established a social policy to meet the needs arising from its development. The allocation of the workforce of the Group and its social policy are mentioned page 41.

Special report of the managers concerning options

2005 financial year

In accordance with the provisions of article L.225-184 of the Commercial Code, we inform you that no option to subscribe or purchase TOUAX shares was granted during the 2005 financial year.

We would remind you that your Combined General Meeting of 6 June 2000 authorized the Board of Directors, for a period of five years expiring on 5 June 2005, to grant subscription options to the members of the personnel of the companies of the Group. (11th resolution).

In the context of this authorization, 16,200 subscription options, each conferring the right to subscribe one new TOUAX share, were granted on 6 June 2000 to 15 beneficiaries at a price of €31.80 per share, equivalent to 95% of the average of the last 20 prices quoted prior to the grant date.

After a blocking period of five years, these subscription options have been exercisable since 5 June 2005 for a period of three years ending on 6 June 2008 inclusive. Having regard to the departure of certain beneficiaries from the Group and the adjustment of the exercise price following the capital increase by the free allocation of shares in 2001 and the capital increase in cash by the subscription of equity warrants, the number of subscription options remaining in circulation as at 31 December 2005 was 8,700 for eight beneficiaries, i.e. 0.23% of the share capital on that date, and the exercise price was €26.18.

Furthermore, 11,001 subscription options, each conferring the right to subscribe one new share, were granted on 24 June 2002 by your Combined General Meeting to 14 beneficiaries at a price of €14.34 per share, equivalent to the average of the last 20 prices quoted on the 20 trading sessions prior to the grant date.

These purchase options may only be exercised after the end of a four-year blocking period, for a period of four years commencing on 30 June 2006 and ending on 30 June 2010 inclusive. Having regard to the departure of certain beneficiaries from the Group and the adjustment of the exercise price following the capital increase in cash effected in November 2005, the number of subscription options remaining in circulation as at 31 December 2005 was 9,900 for 13 beneficiaries, i.e. 0.26% of the share capital on that date, and the exercise price was €14.16.

A resolution delegating to the Management the authorizations necessary in order, if applicable, to grant options to subscribe new TOUAX shares, valid for a period of 38 months, will be submitted for authorization by the Combined General Meeting of 28 June 2006 (15th resolution).

Special report of the Managers on the share repurchase program

Pursuant to article 241-2 of the general regulations of the AMF, the present document constitutes the description of the repurchase program which will be submitted for authorization by the Combined General Meeting of 28 June 2006.

1. Date of the general meeting of shareholders convened to authorize the repurchase program

The repurchase program will be submitted for the approval of the combined general meeting of TOUAX on 28 June 2006.

2. Review of the previous repurchase program

The previous share repurchase program was authorized by the Combined General Meeting of 30 June 2005 and was the subject of an Information Note approved by the AMF on 9 June 2005 under the number 5-526. The program was implemented solely to conduct operations for the purpose of market-making and liquidity. These operations were conducted under two liquidity agreements, one concluded on 22 January 2003 with the investment service provider AUREL LEVEN and the other concluded on 21 November 2005 with the investment service provider GILBERT DUPONT.

Summary of transactions effected by the company in its own shares from 1 June 2005 to 30 April 2006

Declaration by TOUAX SCA of transactions effected in its own shares from 9 June 2005 to 30 April 2006	
Percentage of capital held directly and indirectly	0.15%
Number of shares cancelled in 24 months:	0
Number of shares held in portfolio:	5,807
Book value of portfolio:	144,536.73
Market value of portfolio: [1]	145,175.00

(1) On the basis of the closing price on 30 April 2006.

All purchases and sales effected under the program as referred to above have been conducted for the purpose of market-making and liquidity of trading through two liquidity agreements in accordance with the professional code of ethics recognized by the AMF.

TOUAX did not use derivative products in its previous share repurchase program.

3. Objective of the repurchase program

In the context of the new share program, the objectives pursued by TOUAX will be, in descending order of priority:

- market-making and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement in accordance with the professional code of ethics recognized by the AMF concluded with two investment service providers;
- granting share purchase options or allocating shares free to employees and directors of the company and/or companies of the TOUAX group;
- canceling shares with subsequent authorization by the Extraordinary General Meeting.

4. Conditions

The securities which TOUAX proposes to acquire are exclusively shares.

Article L. 225-209 of the Commercial Code specifies that the amount of securities held must not exceed 10% of the shares making up the share capital of the company. The capital of TOUAX comprises 3,885,519 shares as at 6 February 2006.

Having regard to the number of shares held directly by TOUAX SCA on 30 April 2006, i.e. 5,807 (0.15% of the capital), the maximum number of shares which the company would be entitled to purchase would be 382,744.

Since the maximum purchase price is €37 per share, the maximum amount of the program would be limited to €14,161,528.

Furthermore, having regard to article L. 225-210 of the Commercial Code, the amount of the securities held must not exceed the amount of the free reserves. The amount of the free reserves (reserves other than the statutory reserves plus the issue, contribution and merger premiums and retained earnings) of TOUAX amounts to €14,512,396 as at 31 December 2005.

In view of the foregoing, the repurchase can currently only extend to 382,744 shares (9.85% of the capital), i.e. a maximum amount of €14,161,528, on the basis of the maximum price of €37.

5. Term of the contract

In accordance with article L. 225-209 of the Commercial Code and the sixth resolution which will be submitted to the Combined General Meeting of 28 June 2006, this repurchase program may be implemented for a period of 18 months with effect from the date of the Combined General Meeting of 28 June 2006, i.e. no later than 27 December 2007.

Report of the Supervisory Board and of the Chairman of the Supervisory Board

Report of the Supervisory Board

Pursuant to article L. 226-9 of the Commercial Code we present our report on the annual financial statements and the consolidated financial statements of the Group.

The Supervisory Board conducts continuous supervision of the management of the company. To this end it has the same powers as the statutory auditors.

The Supervisory Board conducts its supervision fully independently and receives transparent, complete and reliable information on the company, in particular with regard to its accounts, its financial liabilities and the risks inherent in its activities and its environment.

Through its Chairman, the Supervisory Board participates in supervisory committees for the various businesses. The purpose of these committees, which are prepared by the managers and operating managements, is to present the strategies pursued by the businesses, in particular the strategic developments in the market, the geographic strategy, the positioning vis-à-vis competitors and progress with regard to the aforementioned strategies. Their purpose is also to study the key events of the period in question.

The Supervisory Board reviews the company financial statements and consolidated financial statements of the Group with the aid of its audit committee. The audit committee currently comprises the Chairman of the Board (Alexandre Walewski) and one member (Jean-Louis Leclercq). Alexandre Walewski has been the Chairman of the Group for 20 years and Jean-Louis Leclercq has been its Financial Director for a long period. These members were selected for their experience in the Group.

The report of the managers and the financial information documents made available to you show the development of the businesses and the results of the Group in the 2005 financial year. The report of the statutory auditors in respect of this financial year does not give rise to any observation on our part.

The consolidated financial statements show net attributable profit of €4,082,558 in 2005, compared to €3,176,616 in 2004. The consolidated balance sheet total amounted to €206.2 million in 2005, compared to €179.6 million in 2004.

The 2005 financial year was marked by increases in revenues, net income and earnings per share, demonstrating the Group's ability to deliver growth and reliability in pursuit of its strategy. The key event in 2005 was the €18 million increase in the capital of the company. This capital increase enables the Group to finance the ownership of assets.

The shipping containers business has operated in a buoyant market in the last two years. Since the second half of 2005 it has experienced a slowdown, due mainly to a surplus of equipment leaving manufacturing plants. Consequently, the Group ordered and sold fewer containers than in 2004. The market began to recover in March 2006.

The modular buildings business, which has suffered particularly in France and the Benelux countries in the last few years, has been growing since the second half of 2005. A particular commercial and investment effort has been made in France, Germany, Poland, Spain and the United States. Sales teams have been recruited and are embarking successfully on this task.

The river barges business recorded a strong performance on the Mississippi and the Danube and a more mixed performance on the Rhine.

The railcars business is benefiting from the liberalization of the market in Europe and is continuing to grow with significant investments.

On this basis, the Supervisory Board is in a position to affirm its confidence in the future of your company and in your managers. The Board therefore recommends that the motions submitted for your approval be carried and that the corresponding resolutions be adopted.

Puteaux La Défense, 30 March 2006

Alexandre Walewski

Chairman of the Supervisory Board

Report of the Chairman of the Supervisory Board to the shareholders

On the preparation and organization of the work of the Supervisory Board and on the internal control procedures established by the company.

Pursuant to article L. 621-18-3 of the Monetary and Financial Code resulting from the Financial Security Act (nº 2003-106 of 1 August 2003), the present report describes the conditions of the preparation and organization of the work of the Board and the internal control procedures established by TOUAX SCA.

The other companies of the Group do not fall within the scope of this report. They are nevertheless required to apply the procedures defined by the Group. All the internal control procedures of the Group are applied without distinction by all the subsidiaries.

Corporate governance

TOUAX was converted into a partnership limited by shares at the Extraordinary General Meeting of 30 June 2005 and the meeting of the Board of Directors of 28 July 2005 noted the final completion of this conversion. TOUAX was previously a limited company with a Board of Directors.

The company was administered by a Board of Directors up to 28 July 2005. With effect from that date, the Board of Directors was replaced by a Management Board and a Supervisory Board.

The company is managed by the Management Board, assisted by an executive committee and operational managements. The Supervisory Board carries out continuous supervision of the Management Board's management of the company.

Alexandre Colonna Walewski, Raphaël Colonna Walewski and Fabrice Colonna Walewski are related in the first degree.

To our knowledge, no fraud conviction, bankruptcy, compulsory administration or liquidation, official public sanction or incrimination or impediment has been ordered in the last five years against any of the directors or any company of which any of the directors is an agent, partner or founder or has administrative, management or supervisory functions.

It should also be noted that the expertise and experience of the directors or members of the Supervisory Board with regard to management are mentioned in the mandates which they perform in other companies and on their date of entry into the Group.

In addition, to our knowledge, there is:

- No potential conflict of interest between the duties, to the issuer, of any of the directors or the members of the Supervisory Board or the Chief Executive Officer and their private interests or other duties;
- No arrangement or agreement between a member of the board of directors or any of the members of the Supervisory Board or the General Management with any of the main shareholders, customers or suppliers;
- No restriction concerning the sale by a director or a member of the management or a member of the Supervisory Board or a member of the management within a certain period of time of their holding in the share capital of the Group;
- No service contract between the members of the administrative and management bodies or the members of the Supervisory Board and managements of TOUAX SCA and any of its subsidiaries.

Management

Since 1 January 1998 and up to the date of conversion of the company, a system of joint chairmanship had operated between Raphaël WALEWSKI and Fabrice WALEWSKI.

The Chairman of the Board of Directors conducted the general management of the company and delegated his powers. In the first part of the 2005 financial year, Fabrice WALEWSKI was Chairman and Chief Executive Officer and Raphaël WALEWSKI was Deputy Chief Executive Officer. In 2004, Raphaël WALEWSKI served as Chairman and Chief Executive Officer and Fabrice WALEWSKI served as Deputy Chief Executive Officer.

Since 28 July 2005, the company has been managed and administered by the Management Board, comprising two Managers, Fabrice and Raphaël WALEWSKI. They were appointed at the Extraordinary General Meeting of 30 June 2005. They convene meetings of the Board in order to take decisions.

The Managers (previously the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer) are assisted in the exercise of their functions by the Executive Committee.

The Executive Committee

Composition

The Executive Committee was created in June 1992. It currently comprises four members.

Raphaël WALEWSKI
Manager (Entry date June 1994)

Fabrice WALEWSKI
Manager (Entry date June 1994)

Stephen PONAK
Finance director (Entry date January 1998)

Thierry SCHMIDT de La BRÉLIE
Administrative and Accounting Director (Entry date March 2005)

Operation

The committee carries out the effective management of the company and its subsidiaries by means of regular meetings, generally held monthly.

Its work essentially comprises:

- developing commercial and financial strategies
- monitoring the activities of the Group
- taking decisions on investments and disposals

The Executive Committee met on 15 occasions in 2005 and all members of the committee were present on each occasion.

Certain members of the committee also meet at least twice a month as a finance committee to consider matters of a technical nature. The Executive Committee also arranges for directors of the Group to participate on a case-by-case basis for specific matters.

Remuneration

The gross remuneration of the Executive Committee amounted to €586,000 for its four members in 2005.

Stock options and equity warrants granted to the Executive Committee

Stock options granted to certain members of the Executive Committee ....4,900 options

No equity warrants are currently held by members of the Executive Committee.

The previously granted warrants have been exercised or are no longer eligible to be exercised. The Management Board meeting of 7 October 2005 recorded the exercise of 11,001 warrants, resulting in a capital increase of €88,008 (including 7,334 warrants granted to members of the Executive Committee).

The Board of Directors

Composition of the Board of Directors

The Board of Directors comprised nine members on the date of the meeting of 30 June 2005. After the completion of the conversion of the company into a partnership limited by shares, all the directors were appointed as members of the Supervisory Board, with the exception of Raphaël and Fabrice WALEWSKI, who were appointed as Managers.

Two members of the Board of Directors were considered to be independent, having regard to the criteria specified in the Viénot II report, incorporated in the AFEP/MEDEF report. These reports on corporate governance specify that a member of the Supervisory Board is independent and free of interests when "he has no relationship of any kind whatsoever with the corporation or its group that is such as to jeopardize exercise of his or her free judgment". A time factor is also added to this definition: "not having been a director or board member for more than 12 years".

The members of the Board of Directors did not form part of the workforce of the Group.

Organization of the Board of Directors

The Chairman organized the work of the Board. In addition to the compulsory meetings (examination of the full-year and half-yearly financial statements), meetings were held as required by the course of business.

Operation of the Board of Directors

Meetings of the Board of Directors were convened by the Chairman 15 days in advance by ordinary letter.

Five meetings of the Board of Directors were held in the 2005 financial year, in which the board exercised its functions in full. The rate of attendance at meetings of the Board of Directors was 82%.

The directors of the company are subject to the regulations on insider dealing.

Reports of meetings of the Board of Directors

The Board of Directors appointed its secretary for each meeting. The minutes of each meeting were drawn up by the Secretary to the Board. They were approved by the Chairman, who submitted them for the approval of the subsequent Board meeting. They were then retranscribed in the minutes register after being signed by the Chairman and a member of the Board.

Remuneration of the Board of Directors

The remuneration of the members of the Board of Directors amounted to €38,890 in 2005, in accordance with the directors' fees specified by the Extraordinary General Meeting of 30 June 2005, calculated on a pro rata basis. The corresponding amount was €70,000 for the 2004 financial year.

The directors' fees were allocated 50% in the form of a fixed fee and 50% as a function of actual attendance at meetings of the Board of Directors. The two Co-Chairmen received double directors' fees up until the company was converted into a partnership limited by shares.

Limitations of the powers of the Chief Executive Officer

The Board of Directors had not specified any limitation of power.

The function of Chief Executive Officer no longer exists within the partnership limited by shares.

The Supervisory Board

Composition of the Supervisory Board

Following the conversion of the company into a partnership, all the directors were appointed as members of the Supervisory Board, except for Raphaël and Fabrice WALEWSKI, who were appointed as Managers.

In September the company ALMAFIN resigned as a member of the Supervisory Board following a change in the policy of the KBC Group (parent company of Almafin), which decided to divest its holding in TOUAX.

In January 2006, the General Meeting of Shareholders approved the appointment of Yves-Claude ABESCAT, representing SALVEPAR, as a member of the Supervisory Board. This appointment followed the acquisition by SALVEPAR of a holding in the TOUAX Group.

The Supervisory Board currently comprises seven members. They are appointed by the General Meeting of Shareholders for a period of one year. They are selected exclusively from among the shareholders who are not general partners.

Two of the seven members of the Supervisory Board are considered to be independent, having regard to the criteria specified in the Viénot II report, incorporated in the AFEP/MEDEF report. These reports on corporate governance specify that a member of the Supervisory Board is independent and free of interests when "he has no relationship of any kind whatsoever with the corporation or its group that is such as to jeopardize exercise of his or her free judgment". A time factor is also added to this definition: "not having been a director or board member for more than 12 years".

The members of the Supervisory Board do not form part of the workforce of the Group.

Organization of the Supervisory Board

The Chairman organizes the work of the Board. In addition to the compulsory meetings (examination of the full-year and half-yearly financial statements approved by the Managers), meetings are held as required by the course of business.

In accordance with the provisions of the law and the articles of association, the Supervisory Board carries out continuous supervision of the management of the company.

The Chairman:

- receives the documents prepared by the internal departments within the company under the authority of the Managers;
- organizes and directs the work of the Supervisory Board;
- ensures that the members of the Board are able to perform their mission and ensures in particular that they have the information and documents necessary in order to accomplish their mission;
- ensures that the representatives of the personal representation bodies are regularly convened and have access to the information and documents necessary in order to accomplish their mission.

The Supervisory Board is assisted by an Audit Committee.

Operation of the Supervisory Board

Meetings of the Supervisory Board are convened by the Chairman 15 days in advance by ordinary letter.

The Supervisory Board met on one occasion in the past financial year. TOUAX was converted into a partnership limited by shares on 28 July 2005. The Supervisory Board has not existed for a full year. The participation rate was 100%.

The statutory auditors are invited to attend all the meetings of the Supervisory Board at which it examines the full-year or half-year financial statements.

The directors of the company are subject to the regulations on insider dealing.

Reports of meetings of the Supervisory Board

The Supervisory Board appoints its secretary for each meeting. The minutes of each meeting are drawn up by the Secretary to the Board. They are approved by the Chairman, who submits them for the approval of the subsequent Board meeting. They are then retranscribed in the minutes register after being signed by the Chairman and a member of the Board.

The board met on 28 September 2005 for the purpose of:

- electing its Chairman,
- forming an Audit Committee,
- analyzing and assessing the consequences of the accounting methods adopted for the preparation of financial statements under IFRS
- examining, analyzing and inspecting the financial statements for the first half of 2005.

The consolidated financial statements for the first half of 2005 were presented by the Managers. The Supervisory Board read the financial communication, on which it expressed its opinion.

The Supervisory Board was also given specific presentations by the Managers on the planned capital increase.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounted to €22,666 in 2005, in accordance with the directors' fees specified by the Extraordinary General Meeting of 30 June 2005. This amount was €51,000 for the 2005, calculated on a pro rata basis in proportion to the number of months in the year.

The Ordinary General Meeting of 28 June 2006 will propose that the amount of remuneration be maintained at €51,000 for 2006.

The directors' fees were allocated 50% in the form of a fixed fee and 50% as a function of actual attendance at meetings of the Supervisory Board. The Chairman of the Supervisory Board receives double directors' fees.

Remuneration Committee

A Remuneration Committee comprising two members of the Board of Directors had been established to decide on the remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer. This Remuneration Committee ceased to exist upon the conversion of the company, since the remuneration of the managers is specified in the articles of association.

Current offices held

By way of a preliminary note, it is recorded that:

- the gross remuneration of the officers of the company in 2005 amounted to €664,400.
- no assets operated by the company belong to directors or their families.

Raphaël WALEWSKI – Manager

Date of appointment:

- Director in 1994
- Chief Executive Officer in 1999, 2001, 2003 and 2004
- Chairman in 1998, 2000, 2002 and 2004
- Deputy Chief Executive Officer in 2005 and then Manager

Age 39 years

Director of the following Group companies:

EUROBULK TRANSPORTMAATSCHAPPIJ BV, GOLD CONTAINER Corporation, GOLD CONTAINER GmbH, MARCHTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, INTERFEEDER-DUCOTRA BV, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX NV, TOUAX ROM SA.

His term of office expired on 28 July 2005.

Raphaël WALEWSKI holds 407,402 shares of TOUAX SCA.

Fabrice WALEWSKI – Manager

Date of appointment:

- Director in 1994
- Chief Executive Officer in 1998, 2000, 2002 and 2005
- Chairman in 1999, 2001, 2003 and 2005
- Deputy Chief Executive Officer in 2004

Age 37 years

Director of the following Group companies: RAIL INVESTMENT Ltd, GOLD CONTAINER Corporation, MARCHTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX RAIL Ltd, TOUAX ROM SA, TOUAX RAIL ROMANIA SA.

His term of office expired on 28 July 2005.

Fabrice WALEWSKI holds 419,562 shares of TOUAX SCA.

Alexandre WALEWSKI
Chairman of the Supervisory Board

Date of appointment:

- Director in 1977
- Chairman and Chief Executive Officer from July 1977 to December 1997

Age 72 years

His term of office expired on 28 July 2005.

Alexandre Walewski was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005 and was elected as Chairman at the Supervisory Board meeting of 29 September 2005. His term of office expires at the time of the next Ordinary General Meeting on 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Alexandre WALEWSKI holds 440,701 shares of TOUAX SCA.

Serge BEAUCAMPS
Member of the Supervisory Board

Date of appointment: Director in 1986
Age 82 years

His term of office expired on 28 July 2005.

Serge BEAUCAMPS was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005. His term of office expires at the time of the next Ordinary General Meeting on 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Serge BEAUCAMPS holds 3,068 shares of TOUAX SCA.

Jean-Louis LECLERCQ
Member of the Supervisory Board

Date of appointment: Director in 1986
Age 74 years

Other offices held: SARL Navidor Chief Executive Officer, SCI OUSTAL QUERCYNOIS Manager l'HORDE OCCITAN Manager.

Jean-Louis LECLERCQ was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005. His term of office expires at the time of the next Ordinary General Meeting of 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Jean-Louis LECLERCQ holds 250 shares of the company TOUAX SCA.

Philippe REILLE
Member of the Supervisory Board

Date of appointment: Director in 1986
Age 67 years

Philippe REILLE was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005. His term of office expires at the time of the next Ordinary General Meeting of 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Philippe REILLE holds 300 shares of TOUAX SCA.

Thomas M. HAYTHE
Member of the Supervisory Board

Date of appointment: Director in 2001
Age 66 years

Other offices held: Commonwealth Center Assoc. Llp – Member of Executive Committee, Nottoway Properties Inc – Secretary, Diebold Finance Company Inc – Vice President & Assistant Secretary Diebold Finance Company – Vice President & Assistant Secretary, Orley Investments Inc – Director, Vice President, Secretary and Treasurer, Tulip Rock Investments Inc – Vice President, Bugina (United States) Inc – Director, President and Secretary, Bemarin Investments N.V – President & Director, Novametrix Medical Systems Inc – Director, General Counsel and Assistant Secretary, Guest Supply Inc – General Counsel, Westerbeke Corporation – Director, General Counsel, Ramsay Youth Services Inc – Director, General Counsel and Assistant Secretary, Nureddin Corporation SA – Director, President & Secretary.

Thomas M. HAYTHE was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005. His term of office expires at the time of the next Ordinary General Meeting of 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Thomas M. HAYTHE holds 4,380 shares of TOUAX SCA.

Jérôme BETHBEZE
Member of the Supervisory Board

Date of appointment: Director in 2004
Age 44 years

Other offices held: Chairman of the Board of Directors of Quilvest Gestion Privée

Jérôme BETHBEZE was appointed as a member of the Supervisory Board at the Extraordinary General Meeting of 30 June 2005. His term of office expires at the time of the next Ordinary General Meeting of 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

Jérôme BETHBEZE holds 301 shares of TOUAX SCA.

Yves-Claude ABESCAT
Representing the company SALVEPAR
Member of the Supervisory Board

Date of appointment: member of the Supervisory Board on 30 January 2006.
Age 63 years

Other offices held: Chairman-Chief Executive Officer of SALVEPAR, member of the Supervisory Board of Générale Marocaine de Banque, permanent representative of Société Générale Capital Développement, Director of Oberthur Smart Cards, Director of LT Participations (IPSOS Group), Director of Groupe Gascogne, Director of IPSOS, and Director of François Charles Oberthur Fiduciaire.

His term of office expires at the time of the next Ordinary General Meeting of 28 June 2006. It is proposed that his term of office be renewed for one year at that meeting.

SALVEPAR holds 249,928 shares of TOUAX SCA.

Hugo VANDERPOOTEN
Representing the company ALMAFIN

Date of appointment: Director in 2000
Age 50 years

The company ALMAFIN resigned as a member of the Supervisory Board following a change in the policy of the KBC Bank Group (parent company of Almafin), which decided to divest its holding in TOUAX.

ALMAFIN no longer holds any shares in TOUAX SCA.

The Audit Committee

The Audit Committee was established at the meeting of the Supervisory Board of 30 January 2006. Its work began with the 2005 accounts. It comprises two members (Alexandre WALEWSKI and Jean-Louis LECLERCQ).

The purpose of the Audit Committee is to assist the Supervisory Board in the auditing of the Group's accounts.

Internal control

Definition and recap of the context

Internal control is defined by the Institut Français de l'Audit et du Contrôle Interne as a process implemented by the directors and personnel of an organization, at whatever level, in order to provide them at all times with reasonable assurance that:

- operations are conducted, secured and optimized in such a way that the organization is able to achieve its fundamental objectives and the required levels of performance, profitability and asset protection,
- the financial operations are reliable,
- laws, regulations and directives are complied with.

Objectives of the company with regard to internal control

The purpose of the company's internal control is to ensure that:

- management activities, general operations and personnel conduct comply with the guidance issued with regard to the company's activities by the governing bodies of the company, the applicable laws and regulations and by the internal values, standards and rules of the company.
- the accounting, financial and management information provided for the governing bodies of the company accurately reflects the activity and position of the company.

The procedures imply compliance with the management policies, protection of assets, prevention and detection of fraud and errors, the accuracy and exhaustiveness of accounting records, the provision of reliable accounting and financial information within the specified periods.

The company's internal control system does not, however, provide any certainty that the specified objectives will be attained, due to the limits inherent in any procedure.

Summary of the risks borne by the company

These risks, or one of these risks or other risks not currently identified or considered to be significant by TOUAX, could have a negative effect on the activities, financial position or results of TOUAX, or on its share price.

The risks described in the report of the Managers are summarized in the following paragraphs.

Financial risks

The risks are market risks (interest and exchange rates), liquidity risk and equity risk.

The management of financial risk forms an integral part of the management of the company. To provide improved risk monitoring and optimize internal controls, the management has separated the administrative and financial management into two parts: financial management and administrative and accounting management.

The financial management, including the associated central cash management of the Group and administration of the management programs, manages the financial risk.

All financial matters are monitored or reviewed daily by the financial management, which provides the necessary resources in order to limit the financial risks.

The objective of the administrative and accounting management is to produce reliable accounting and financial information, to communicate such information, monitor other risks, in particular counterparty risk, establish administrative, accounting and financial procedures and monitor the legal and fiscal affairs of the Group.

Legal risks

The legal risks are monitored by the administrative and accounting management and by the operational directors.

Provisions are created in respect of the risks as soon as an expense becomes likely in accordance with article L 123-20 article 3 of the Commercial Code.

Industrial and environmental risks

These risks relate particularly to economic, political, geopolitical, technological, climatic and environmental risks.

They depend mainly on the various activities of the company. Regular reports are sent to the management to ensure that these risks are monitored.

Dependence risk

The Group has no significant dependence on any third party or public authority.

Economic risk

- Shipping containers: the Group considers that due to the quality of its customer base it provides high-quality services at competitive prices and that it therefore has significant strengths with which to confront the competition,
- Modular buildings: in order to limit these risks, the Group is on the one hand diversified into three distinct markets (building and public works, industry and local authorities), and on the other hand has passed on some of the risks to its own suppliers,
- Railcars: the Group believes that European governments will continue in the direction of deregulation and privatization, thereby increasing the competitiveness of rail transport and the volumes transported.

Geopolitical risk

- Shipping containers: the geopolitical risk is the risk of a cyclical recession and the risk of protectionism. This risk is managed on the basis of an analysis of the breakdown into long-term and short-term leasing contracts,
- River barges: in the case of rivers which cross several countries (such as the Danube), there is a risk concerning the navigation fee (tax) which is charged to the units by the country to which the portion of the river belongs,
- Railcars: rail freight transport had been affected by problems of illegal immigration in the Channel Tunnel. Only around 5% of the fleet was allocated to this traffic in the first quarter of 2005.

Environmental risk

- Shipping containers: the Group has effected insurances to cover the risks associated with the unloading of goods and obliges its customers to do likewise.

■ The Group believes that its other activities are not subject to significant environmental risks.

Management risk

A significant part of the assets managed by the Group belong to third-party investors or financial vehicles. The Group has limited the risk of breach of management contracts by diversifying the number of investors.

Supply risk

■ Modular buildings: the Group may be held liable if a subcontractor defaults, up to the limit of the insurance cover.

■ River barges: the Group does not use any hedging instrument to cover changes in the oil price, but limits this risk by including indexation clauses in the majority of its transport contracts to cover changes in the price of refined products.

Climate risk

River navigation depends on climatic conditions. This risk is limited as a result of the Group's diversified geographical presence.

Risk of positioning and loss of containers

The Group bills its customers for previously agreed replacement values. The risk of total loss is not covered if a customer becomes insolvent. On the other hand, all of the damage or losses associated with a natural disaster are covered, either by the customer's insurance or by the depot insurance.

Technical and quality risk in modular buildings

The Group invests in high-quality equipment which is ahead of existing standards and competing products.

Insurance – coverage of risks

The Group has a policy of systematically insuring its tangible assets and general risks.

Summary of internal control measures

General organization of the internal control

The internal control relies on formalized procedures, the information system and its architecture and the skills and training of the personnel.

The primary cycles relate to revenues and trade debtors, expenses and trade creditors, tangible assets, cash management and financing. The secondary cycles relate to the pay/personnel function and inventories.

Role of the internal audit and management control department

The task of the internal audit department is to chart the various risks, establish and control the flow of information by means of the various reports and establish and monitor administrative and accounting procedures in liaison with the various accounts departments.

The internal audit assists the Executive Committee and the Supervisory Board with the control of risks, the verification of methods and procedures and the control of the reliability of the information provided by the various subsidiaries, branches and divisions of the Group.

General description of the procedures

Revenues and trade debtors

The main objectives are to verify the accuracy of the revenues, the valuation of accounts receivable and the completeness of the receipts and to monitor the counterparty risk.

To fulfill these objectives, the management has put in place the following organization:

• Operations department: distinct from the commercial and marketing departments, this is essentially responsible for processing and monitoring the fulfillment of customer orders,

• Customer credit department: attached to the administrative and accounting department, this is responsible for giving its opinion before the order is processed. The bad and doubtful debt function is attached to this department. It issues invoices on the basis of information entered in the computer system by the Operations department. The generation of accounting entries for invoices is automated and integrated.

The essential principles of the revenues/trade debtors cycle are:

• lease contracts systematically entered in the computer system,

• management and invoicing system integrated with the accounting system,

• separation of tasks between the credit department, the operating departments and the treasury department,

• regular inspection of the amount of customer credit DSO – days sales outstanding) by the general management.

Expenses and trade creditors

The main objectives are to ensure that all expenses are recorded and to verify the valuation of the trade creditors and the accuracy of the payments.

The organization put in place is as follows:

• Operations department: initiates the order, issues "purchase requests" within limits strictly defined by the management. It accepts delivery of the order once it has been approved and ensures that delivery takes place correctly.

• Operations management: approves the requests, which are then converted into purchase orders. It negotiates the prices, selects the suppliers and oversees the conditions of sale.

• Operational management of the business: responsible for systematic inspection and approval of invoices.

• Accounts department: records invoices on the basis of purchase orders and prepares payments, which are approved by the general management.

The basic principles of the expenses/trade creditors cycle are based on:

• approval of the order,

• comparison of the purchase order and the delivery notes, work acceptance certificates, consignment notes and invoices,

• systematic inspection of invoices by the operational management of the business,

• centralization of payments by the general management.

Tangible assets

The major objective is to protect the company's assets.

The company carries out a general physical inventory twice a year in liaison with the operating departments and the administrative and accounting departments. Differences are analyzed, justified and presented to the general management.

Treasury department

The objectives intersect those of the other cycles. They are mainly achieved by a strict separation of tasks and the involvement of the general management.

The predominant aspects of the internal control of the treasury/finance cycle are:

• centralized management of cash flows through monthly monitoring of flows,

• monitoring of authorizations and delegations of signing powers and other bank commitments,

• measurement and regular forecasting of cash requirements.

General description of the procedures relating to the production and processing of financial and accounting information.

The administrative and accounting procedures are established in such a way that the operations reflected in the annual financial statements fulfill the objectives with regard to regularity and fairness. These procedures are integrated into the internal audit described above.

These procedures are based on:

• integrated management and accounting systems,

• separation of tasks insofar as the size of the departments permits,

• supervision and control of operational and functional management and general management.

All of the financial and accounting information is reported monthly to the consolidation department, which carries out a consistency check on the flows and methods applied. A full consolidation is carried out every quarter. A summary consolidation is carried out in February, May, August and November of each year. The aim of the reporting and consolidation procedures is to guarantee compliance with the accounting principles applied by the company.

Furthermore, the monthly monitoring of the results of the subsidiaries and of the Group enables the general management to verify the financial translation of the strategy assigned to the businesses, involving an audit of the results in the context of the Group's budgetary commitments and business plan.

It should be noted that the subsidiaries are visited regularly by the various managements (general, financial, accounting, operational), thereby ensuring correct adherence to the Group's procedures.

Assessment of internal control

There was no significant change in 2005 in the internal control procedures and the procedure relating to the production of the accounting and financial information.

The Group completed the transition to international accounting standards during the year.

The assessment of the internal control is currently carried out through the various reviews of the accounts of the subsidiaries and of the Group during board meetings of the companies. These procedures have not yet been formalized. A formalized evaluation procedure is envisaged in future years. The evaluation would be carried out through regular, rotating audits through all of the internal control cycles and all the companies in the Group. This procedure will lead to recommendations on the monitoring and control of the risks of the Group.

Puteaux La Défense, 30 March 2006

Alexandre WALEWSKI
Chairman of the Supervisory Board

Report of the Statutory Auditors to the Partners on the report of the Chairman of the Supervisory Board concerning the internal control procedures relating to the production and processing of financial accounting information

For the financial year ending 31 December 2005

To the shareholders of TOUAX

In accordance with the request submitted to us, and in our capacity as Statutory Auditors of the company TOUAX SCA, we present to you our report on the report produced by the Chairman of the Supervisory Board of your company relating to the internal control procedures in respect of the financial year ending on 31 December 2005.

In his report, the Chairman of the supervisory board gives an account in particular of the preparation and organization of the work of the Supervisory Board and the internal control procedures implemented within the company, in accordance with the provisions of article L. 621-18-3 of the Monetary and Financial Code.

We present to you our observations arising from the information provided in the report of the Chairman of the Supervisory Board concerning the internal control procedures relating to the production and processing of the accounting and financial information.

We have conducted our work in accordance with the professional standards applicable in France. These require that we perform the audit to assess the accuracy of the information provided in the report of the Chairman of the Supervisory Board with regard to the internal control procedures applied in the production and processing of the accounting and financial information. This includes in particular:

- acquainting ourselves with the objectives and general organization of the internal control and the internal control procedures relating to the production and processing of the accounting and financial information presented in the report of the Chairman of the Supervisory Board;
- acquainting ourselves with the work on which the information provided in the report is based.

On the basis of the procedures we performed, we have no observations to make with regard to the information provided on the company's internal control procedures relating to the production and processing of the accounting and financial information contained in the report of the Chairman of the Supervisory Board.

Paris and Neuilly-sur-Seine, 31 May 2006

The Statutory Auditors

LEGUIDE NAÏM & ASSOCIES	DELOITTE & ASSOCIES
Paul NAÏM	Bertrand de FLORIVAL

Press release of 27 January 2006

Capital increase without preferential rights reserved for SALVEPAR

Capital increase through the issue of 120,600 new shares

Placement price: €20.73 per new share

Société Alsacienne et Lorraine de valeurs d'Entreprises et de Participations – SALVEPAR – is a listed company owned 51% by Société Générale. For regulatory reasons outside their control, it was unable to take part in the capital increase effected on 28 November 2005 and it has expressed a wish to subscribe to the capital of TOUAX.

With the authorization of the combined general meeting of 30 January 2006, TOUAX SCA has reserved for SALVEPAR the subscription of 120,600 shares at the issue price of €20.73, i.e. the same unit price as in the previous capital increase. This subscription corresponds to 3.20% of the current capital of TOUAX, which comprises 3,764,919 shares of a par value of €8.

This operation will increase the capital to €31,084,152, comprising 3,885,519 shares of €8 each.

Press release of 13 February 2006

Revenue growth in full-year 2005 exceeds forecasts: +23% (16.9% on a like-for-like basis).

Consolidated revenues by type (€ thousands)	2005 Unaudited	2004 Audited	Difference
Leasing revenues	124,828	108,396	15%
Sales of equipment and sundry items	97,254	72,187	35%
Consolidated revenues	222,082	180,583	23%

Consolidated revenues by business segment (€ thousands)	2005	2004	Variation
Shipping containers	114,915	102,866	12%
Modular buildings	45,264	37,103	22%
River barges	31,016	29,119	7%
Railcars	30,887	11,495	169%
Consolidated revenues	222,082	180,583	23%

The TOUAX Group is pursuing its growth in the operational leasing of standardized, mobile equipment, supported by a trend towards outsourcing among its customers. The Group's consolidated revenues amounted to €222.1 million as at 31 December 2005, compared to €180.6 million in the previous year. That represents a rise of 23% on the year (16.9% on a like-for-like basis taking into account the acquisition of 100% of TOUAX Rail on 30 November 2005).

The shipping containers business continued its development during 2005 with an accumulated rise of 12%. It continues to benefit from the increase in global trade, in spite of a slowdown in demand observed in China since April 2005. Accumulated leasing revenues advanced 19% and accumulated equipment sales were 6% higher than in 2004.

The modular buildings business confirmed its recovery with an accumulated rise of 22% on the year, generated by a strong rise of 46% in equipment sales and a 17% increase in leasing revenues. Growth was buoyant in the USA (Florida, Georgia), Poland and Spain.

The river barges business grew 7% in 2005 as a result of strong advances in the USA (Mississippi) and Eastern Europe (Danube).

The railcar leasing business continued to progress in line with the Group's stated ambitions, with notable rises of 261% in equipment sales and 46% in leasing revenues. The full liberalization of rail transport in Europe from March 2006 is expected to provide new opportunities.

For full-year 2006 the Group is forecasting sustained growth in its revenues. A detailed forecast will be provided when the full-year financial statements are presented on 30 March 2006.

Press release of 15 May 2006

Consolidated revenues in the first quarter of 2006: €37.9 million.

Revenues by type (Unaudited consolidated figures, in € thousands)	2006	2005	variation
Leasing revenues	35,014	28,105	25%
Sales of equipment and sundry items	2,918	17,991	-84%
Consolidated revenues in the first quarter	37,932	46,096	-18%

Revenues by business segment (Unaudited consolidated figures, in € thousands)	2006	2005	variation
Shipping containers	14,944	28,748	-48%
Modular buildings	10,654	9,424	13%
River barges	8,602	6,503	32%
Railcars and subdry activities	3,733	1,422	163%
Consolidated revenues in the first quarter	37,933	46,097	-18%

Leasing revenues rose 25% in the first quarter of 2006 compared to the first quarter of 2005. Leasing is a recurrent and growing activity. Consolidated revenues in the first quarter of 2006 amounted to €37.9 million, a decline of 18% compared to the first quarter of 2005. The conclusion of new management programs, and consequently equipment sales or asset disposals, can fluctuate substantially from one quarter to the next. For the record, the shipping containers business recorded sales of €15 million in the first quarter of 2005, whereas no shipping containers were sold in the first quarter of 2006. The decrease in sales in the shipping containers business is only temporary; a shift has taken place in favor of the second and third quarters of 2006. The Group is therefore confirming its target of a rise of over 30% in net income in full-year 2006.

The shipping containers business continued to benefit from the globalization of trade and the sustained growth in international commerce with a 10% rise in leasing revenues.

The modular buildings business confirmed its recovery with a 13% increase in revenues as a result of new investments.

The river barges business recorded further advances as a result of the conclusion of new contracts which have been running since the second half of 2005.

The railcars business continued its growth, spurred by the full liberalization of rail freight and the acquisition of 100% of the railcars business in November 2005.

At its meeting of 29 March 2006, the Supervisory Board resolved to propose to the general meeting of shareholders of 28 June 2006 that a net dividend of €0.70 per share be distributed, representing a rise of 17% compared to the previous year.

Combined General Meeting of 28 June 2006

I- Within the competence of the Ordinary General Meeting

The Ordinary General Meeting may only pass valid resolutions if, on first notice, the shareholders present or represented hold at least one-fifth of the voting shares. Decisions are made on a majority vote.

First resolution

The General Meeting, having heard a reading of the report of the Management Board, the report of the Supervisory Board and the report of the Chairman of the Supervisory Board as provided for in article L. 225-68 of the Commercial Code in respect of the financial year ending 31 December 2005 and the reports of the Statutory Auditors, approves the annual financial statements as presented, showing a net book profit of €1,193,675.

Second resolution

The Ordinary General Meeting discharges the Management Board, the Supervisory Board and the Statutory Auditors in respect of the performance of their offices in the 2005 financial year.

Third resolution

The General Meeting approves the proposals presented by the Management Board and resolves to appropriate the profit as follows:

Result for the year	1,193,675.23 €
Remuneration of General Partners in accordance with articles of association	-122,476.77 €
Plus retained earnings	693,928.33 €
Profit for distribution	**1,765,126.79 €**

Appropriaton to legal reserve	59,683.76 €
Distribution of a dividend of €0.7 to €3,764,919 shares	2,635,443.30 €
Deduction from the issue premium	-930,000.27 €
Total profit distributed	**1,765,126.79 €**

A dividend of €0.70 per share will therefore be distributed in respect of the 3,764,919 shares entitled to dividend. Pursuant to article 93 of law no. 2003-1311 of 30 September 2003, the tax credit is no longer attached to dividends paid from 1 January 2005. Withholding tax also ceased to be payable in respect of dividends paid from that date.

In accordance with the legal provisions, and as stated in the management report, the General Meeting notes that the dividends distributed in the last three financial years and the proposed dividend for 2005 were as follows :

(€)	2002	2003	2004	2005
Net dividend	0.60	0.25	0.60	0.70
Tax credit	0.30	0.125		
Total revenue	0.90	0.375	0.60	0.70
Number of shares	**2,838,127**	**2,838,127**	**2,838,127**	**3,764,919**
Dividends	1,702,876	709,532	1,702,876	2,635,443
Repayment of contribution				
Exceptional dividend		993,344		
Total distributed	**1,702,876**	**1,702,876**	**1,702,876**	**2,635,443**

The dividend, which is eligible for the 50% allowance provided for in article 158-3 of the General Taxation Code, will be paid from 7 July 2006 at branches of Crédit Industriel et Commercial.

Fourth resolution

The General Meeting, having heard a reading of the special report of the Statutory Auditors on the agreements referred to in articles L. 226-10 and L. 225-40 of the Commercial Code, successively approves, in accordance with the final paragraph of article L. 225-88 of the said code, each of the agreements mentioned therein.

Fifth resolution

The General Meeting, having acquainted itself with the report on the management of the Group included in the management report of the Management Board, the report of the Supervisory Board and the reports of the Statutory Auditors, approves the consolidated financial statements as at 31 December 2005 drawn up in accordance with the provisions of articles L. 357-1 ff. of the Commercial Code, as presented, showing a profit of €4,082,559.

Sixth resolution

The General Meeting authorizes the Management Board, in accordance with article L. 225-209 of the Commercial Code, to acquire a number of shares representing up to 10% of the share capital under the following conditions:

Maximum purchase price per share: €37

Maximum amount: €14,161,528

In accordance with article L. 225-210 of the Commercial Code, the acquisition of shares of the company must not have the effect of reducing the shareholders' equity to a sum lower than that of the capital plus non-distributable reserves. The amount of shares acquired must not exceed the reserves, which amounted to €14,512,396 as at 31 December 2005.

These shares may be acquired, in one or more transactions, by any means, including, where applicable, over-the-counter trading, sales of blocks of shares or the use of derivative products, with a view to:

- maintaining liquidity and market activity for the TOUAX SCA share by way of a liquidity agreement in accordance with the professional code of ethics recognized by the Autorité des Marchés Financiers concluded with two investment service providers;
- granting share purchase options or allocating free shares to employees and directors of the company and/or TOUAX group companies;
- canceling the shares, subject to a subsequent authorization by the Extraordinary General Meeting.

In the context of the first of these objectives, the company's shares will be purchased on behalf of the Company by an investment service provider acting within the terms of a liquidity agreement and in accordance with the professional code of ethics recognized by the Autorité des Marchés Financiers. In respect of the last of these objectives, authorization must be given by a subsequent Extraordinary General Meeting.

These operations can be conducted at any time, including during a public offering period, in accordance with the regulations in force.

The present authorization shall take effect once it has been accepted by the present meeting. It is issued for a period of 18 months. It cancels and replaces that granted by the Ordinary General Meeting of 30 June 2005 in its sixth resolution.

The General Meeting confers all powers on the Management Board, with the right to sub-delegate such powers, in deciding how the present authorization should be implemented and in determining the terms, in particular adjusting the above-mentioned purchase price should any operation alter the shareholders' equity, the share capital or the par value of the shares, effecting all orders in the stock market, concluding any agreements, making any declarations, completing any formalities and in general carrying out all necessary actions.

Seventh resolution

The general meeting sets the total annual directors' fees allocated to the Supervisory Board at €51,000.

This decision, which is applicable to the current year, shall remain in force unless decided otherwise.

Eighth resolution

Noting that the term of office of Mr Serge BEAUCAMPS as a member of the Supervisory Board expires on this day, extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Ninth resolution

Noting that the term of office of Mr Thomas M. HAYTHE as a member of the Supervisory Board expires on this day, the General Meeting extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Tenth resolution

Noting that the term of office of Mr Jean-Louis LECLERCQ as a member of the Supervisory Board expires on this day, the General Meeting extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Eleventh resolution

Noting that the term of office of Mr Philippe REILLE as a member of the Supervisory Board expires on this day, the General Meeting extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Twelfth resolution

Noting that the term of office of Mr Alexandre WALEWSKI as a member of the Supervisory Board expires on this day, the General Meeting extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Thirteenth resolution

Noting that the term of office of the company SALVEPAR, represented by Mr Yves-Claude ABESCAT, as a member of the Supervisory Board expires on this day, the General Meeting extends its term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Fourteenth resolution

Noting that the term of office of Mr Jérôme BETHBEZE, as a member of the Supervisory Board expires on this day, the General Meeting extends his term of office for a period of one year, up to the end of the General Meeting held to decide on the 2006 financial statements.

Within the competence of the Extraordinary General Meeting

The Extraordinary General Meeting may only pass valid resolutions if the shareholders present or represented hold at least one-quarter of the voting shares on first notice and one-fifth of the said shares on second notice. Decisions are made on a two-thirds majority vote.

Fifteenth resolution

The General Meeting, acting in accordance with the rules as to quorum and majority applicable to Extraordinary General Meetings, having acquainted itself with the report of the Managers and the special report of the Statutory Auditors:

- authorizes the Managers to acquire, at their sole discretion, in one or more transactions, all or part of the shares of the company in the context of article L. 225-209 of the Commercial Code, up to a limit of 1.25% of the total number of shares for the purpose of allocating share purchase options as defined in articles L. 225-177 to L. 225-185 of the Commercial Code;
- authorizes the Managers, in accordance with the provisions of articles L. 225-177 ff. of the Commercial Code, to grant alternatively, in one or more transactions, options conferring the right to subscribe shares of the company and/or options to purchase existing shares of the company;
- authorizes the Managers to delegate all powers necessary in order to implement its decisions, in accordance with the legal provisions in force when the present authorization is used.

This authorization may be used within a period of 38 months from this day.

The beneficiaries of these options may be selected, by the Managers, from among the employees and company officers defined by the Law, of both the company and the companies associated with it, directly or indirectly, under the conditions specified in article L. 225-180 of the Commercial Code.

The total number of options which may be granted shall not convey the right to subscribe or purchase a number of shares in excess of 1.25% of the share capital.

The subscription or purchase price of the shares must be set by the Managers in accordance with the legal provisions in force:

- In the event that subscription options are granted, the price at which the beneficiaries may subscribe shares must be specified by the Managers, in accordance with the provisions of article L 225-177 paragraph 4 of the Commercial Code, on the day on which the options are granted. This price must not be less than eighty per cent (80%) of the average of the prices recorded for the company's shares in the Second Marché during the twenty (20) stock market trading days prior to the day on which the share subscription options are granted;
- In the event that share purchase options are granted, the price at which the beneficiaries may purchase shares must be specified by the Manager, in accordance with the provisions of articles L. 225-177 paragraph 4 and L. 225-179 paragraph 2 of the Commercial Code on the day on which the options are granted. This price must not be less than:

– eighty per cent (80%) of the average of the prices recorded for the company's shares during the twenty (20) stock market trading days prior to the day on which the share subscription options are granted;

– and eighty per cent (80%) of the average purchase price of the shares held by the company pursuant to articles L. 225-208 and/or L. 225-209 of the Commercial Code.

The aforementioned Extraordinary General Meeting has delegated to the Manager all powers to implement the said delegation, and in particular:

- to specify the list or categories of beneficiaries;
- to set all of the conditions under which the options will be granted and exercised, within the legal and

regulatory limits, it being specified in particular that the Manager may provide for the temporary prohibition of the transfer of subscribed or acquired shares, although such period of non-transferability must not exceed three (3) years with effect from the exercise of the option;

- to decide on the conditions under which the price and the number of shares to be subscribed or purchased will be adjusted, in the event of financial operations by the company;
- to conduct all acts and formalities for the purpose of establishing the capital increase(s) implemented in execution of the said authorization, amending the articles of association accordingly and, generally, doing all that is necessary.

The options must be exercised no later than six (6) years with effect from this day. On the expiry of this date the options shall lapse.

The present authorization includes, in favor of the beneficiaries of the options, an express waiver by the shareholders of their pre-emptive right to subscribe the shares to be issued as the options are exercised.

The increase in the share capital resulting from the exercise of options shall be concluded by the sole fact of the declaration of the exercise of options, accompanied by the subscription form and the payment of the corresponding sum, in cash or by set-off against receivables.

The General Meeting confers upon the Managers all the powers necessary to specify any other conditions of the operation in order to establish successive increases in the share capital and fulfill the resulting formalities.

Sixteenth resolution

The General Meeting, having heard a reading of the report of the Managers and of the special report of the Statutory Auditors, noting that the share capital is fully paid up, authorizes the Managers to proceed, when they deem appropriate, with the issue of share subscription warrants for a maximum of €1,500,000 in accordance with the provisions of article L. 228-95 of the Commercial Code.

This authorization, granted for a period of thirty-eight (38) months, i.e. up to 27 August 2009, includes, for the benefit of the subscribers, an express waiver by the shareholders of their pre-emptive right to subscribe the shares to be issued when the subscription rights attached to the issued warrants are exercised.

The General Meeting consequently authorizes the Managers, in order to allow the subscribers of the issued warrants to exercise their subscription right, to effect one or more increases in share capital for a maximum amount of €1,500,000.

The warrants are issued in favor of the category comprising employees and company directors of the Group who are not eligible for the share option plans of TOUAX SCA. Eligible subscribers shall be assigned in this category by the Managers.

As a consequence of the adoption of the preceding resolutions, the General Meeting confers all powers on the Manager for the purposes of:

- issuing the warrants and specifying the relevant conditions, in particular the number of warrants to be issued, the issue price and their characteristics, their vesting date;
- determining the exercise conditions of the issued warrants and in particular the number of shares to which they will confer the right to subscribe, the vesting date of the shares, the periods and time limits within which the shares may be subscribed and the issue price of the said shares;
- confirming the exercise of the issued warrants and the resulting increases of the share capital;
- accordingly amending the articles of association and conducting all formalities relating to the said capital increases;
- determining the necessary adjustment conditions in order to reserve the rights of the holders of the warrants;
- generally doing everything that is necessary with a view to issuing the said warrants and the exercise of the attached subscription right

The general meeting delegates to the Managers the responsibility for drawing up the list of beneficiaries of the share subscription warrants in accordance with the provisions of article L. 225-138 of the Commercial Code.

Seventeenth resolution

The General Meeting, in accordance with the proposal of the Management Board, authorizes the amendment of point 11.5 of the articles of association as set out below:

"The annual remuneration granted to each Manager in the context of the general social security regime is specified as follows:

- A fixed portion equivalent to the sum of €129,354, plus benefits in kind up to a limit of 15% of the fixed remuneration, it being specified that the above amount shall not include directors' fees, remuneration and reimbursements of expenses received by Managers in respect of offices and functions performed in all the subsidiaries of the company up to a limit of €80,000 per manager;
- A gross sum of €850 for each day of business travel outside France, by way of an allowance for absence from home;

These amounts may only be freely uprated by the general partners within the limit of the accumulated rise in the annual inflation index published by INSEE.

A variable portion up to a maximum of 1% of the consolidated EBITDA of the TOUAX Group less leasing revenues due to investors. For the purposes of this calculation, EBITDA shall be deemed to be the consolidated gross operating profit less the net transfer to operating provisions.

The general partners shall freely decide on the conditions of payment of this remuneration of the Managers, and may limit the amount. The payment of the variable portion shall take place, after the decision by the general partners, within sixty (60) days of the General Meeting at which the company's financial statements are approved.

This remuneration may be amended 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 travel and representation expenses incurred by a Manager on behalf of the company shall be met by the company."

Within the competence of the Ordinary and Extraordinary General Meeting

Eighteenth resolution

The general meeting grants full powers to the bearer of a copy or extract of the minutes of the present Meeting to fulfill all the legal requirements relating to registration and legal publication.

Glossary

Self-propelled barge
Motorized river barge.

River barge
Non-motorized metallic flat-bottomed vessel used to transport goods by river.

BPW
Building and public works.

Transport capacity
Daily transport capacity of a vessel.

Shipping container
Metallic container based on standardized measurements, for the transport of goods.

20' Dry container
Standard container measuring 20' x 8' x 8.6'.

40' dry container
Standard container measuring 40' x 8' x 8.6'.

Open top container
Open-top container for outsize loads.

Flat container
Platform container for special loads.

High cube container
Larger-sized container 40' x 8' x 9' 6".

Reefer container
Refrigerated container.

Modular building
Buildings made up of standard elements (modules) stacked and juxtaposed on the site without alteration at the time of installation.

EBITDA
Earnings before interest, tax, depreciation and amortization. The EBITDA used by the Group is equivalent to gross operating profit less operating provisions (in particular provisions for bad and doubtful debts).

Operational leasing
Unlike financial leasing, operational leasing does not transfer to the lessee almost all the risks and benefits inherent in the ownership of an asset.

Pool
Equipment grouping.

Pushboat
Motorized vessel used to push river barges.

ROFA
Return on fixed assets. This ratio is a performance indicator for the Group. The ROFA is determined for each business and is the ratio of EBITDA, less distributions to investors, to total gross fixed assets allocated to the business (excluding goodwill).

TEU
(twenty foot equivalent unit) measurement unit used for containers. This unit can be physical (one forty' is equivalent to two twenty' containers) or financial (the price of a forty' is equal to 1.6 times the price of a twenty' container). The measurement unit used in this report is a physical unit (TEU), unless otherwise indicated (financial unit – FTEU).

Asset-backed securitization
A method of financing a business whereby assets are transferred by their owner (the vendor) to a specific entity which in turn finances the acquisition by issuing securities (notes) to various parties (investors).

Intermodal transport/combined transport
Transporting goods using more than one means of transport, integrated over long distances and in the same container.

Railcar
Rail wagon used to transport goods.
45', 60', 90' and 106' multifreight and flat wagons: freight wagons with standardized dimensions.

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AUTORITÉ
DES MARCHÉS FINANCIERS

The present document was filed with the Autorité des Marchés Financiers on 9 June 2006 in accordance with articles 212-13 of its general regulations. It may be used in connection with a financial transaction if it is accompanied by a transaction note certified by the Autorité des Marchés Financiers. It has been drawn up by the issuer and engages the liability of the signatories.

Copies of the present reference document are available free of charge from TOUAX SCA, Tour Arago – 5, rue Bellini – 92806 Puteaux La Défense cedex, and from the TOUAX internet site: www.touax.com, as well as from the internet site of the Autorité des Marchés Financiers: www.amf-france.org.

Pursuant to article 28 of European Regulation (EC) no. 809/2004 in application of Directive 2003/71/EC, known as the "Prospectus" directive, the following documents are included for reference purposes in the present reference document:

- the consolidated financial statements of the Group and the report of the Statutory Auditors on the consolidated financial statements for the year ending 31 December 2003, as presented respectively in the reference document registered on 2 June 2004 under the number R.04-101 on pages 43 ff., and on page 79;
- the company financial statements of the Group and the report of the Statutory Auditors on the company financial statements for the period ending 31 December 2003, as presented respectively in the reference document registered on 2 June 2004 under the number R.04-101 on pages 80 ff., and on page 102;
- the consolidated financial statements of the Group and the report of the Statutory Auditors on the consolidated financial statements for the year ending 31 December 2004 as presented respectively in the reference document registered on 18 June 2005 under the number R.03-132 on pages 43 ff., and on page 79 and its updates dated 21 July 2005 bearing the number D.05-0820 A01 and dated 28 October 2005 bearing the number D.05-0820 A02;
- the company financial statements of the Group and the report of the Statutory Auditors on the company financial statements for the year ending 31 December 2004 as presented respectively in the reference document registered on 18 June 2005 under the number R.03-132 on pages 80 and ff., and on page 101, and its updates dated 21 July 2005 bearing the number D.05-0820 A01 and dated 28 October 2005 bearing the number D.05-0820 A02

This document contains information which forms integral part of TOUAX Reference Document filed with the Autorité des Marchés Financiers on 9 June 2006. This present version has been prepared for the convenience of English language readers. It is a free translation of the original registered "Documents de reference". It is intended for general information only and should not be considered as completely accurate owing the unavailability of English equivalents for certain French legal terms.

This presents documents does not include the statutory accounts, which can be found in the original French registered "Document de reference".

In the concern of the respect of the environment, we choose to publish this report a paper guaranteed without chlorine, printed with inks bio based on vegetable oil. The photoengraving was carried out in CTP, without use of films, thus making it possible to reduce the quantity of chemical used.
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