



## 2008 Results & Outlook

Pershing Hall Hotel - March 25, 2009

# AGENDA



Company presentation



Results and financing



Strategy and targets



TOUAX and the stock market



Q&A

# Company presentation



- The TOUAX Group
- TOUAX businesses

# The TOUAX Group

An experienced player in operational leasing

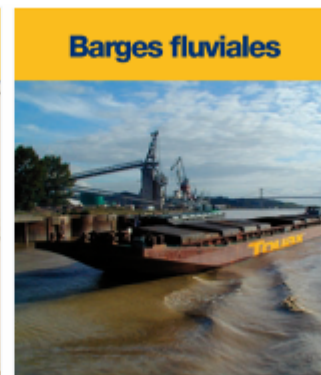
- ▶ Specialized in operational leasing & associated services
- ▶ A team of 724 professionals in 15 countries  
across Europe, North America and Asia
- ▶ Four global, industry-leading divisions with rapid and efficient response capability



- No. 1 lessor in Europe
- 508 000 shipping containers



- No. 2 lessor in Europe
- 38 000 modular units



- No. 1 lessor in Europe
- 172 river barges



- No. 2 lessor in Europe (intermodal railcars)
- 6 700 railcars

# The TOUAX Group

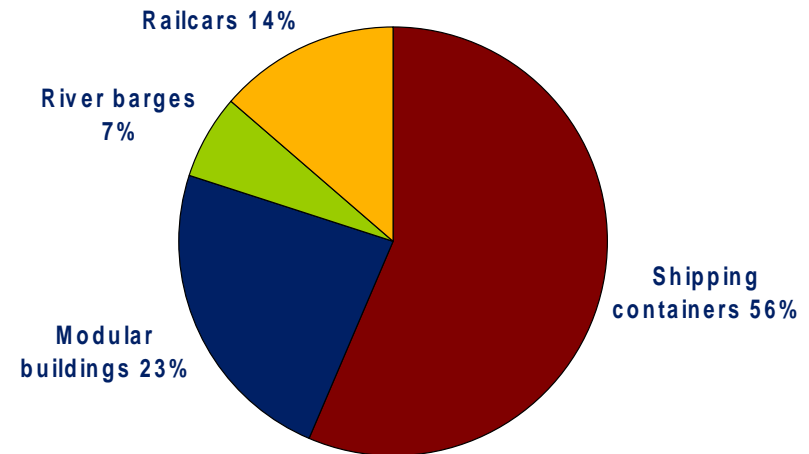
A diversified enterprise

- ▶ Diversification in four core businesses operating in international markets

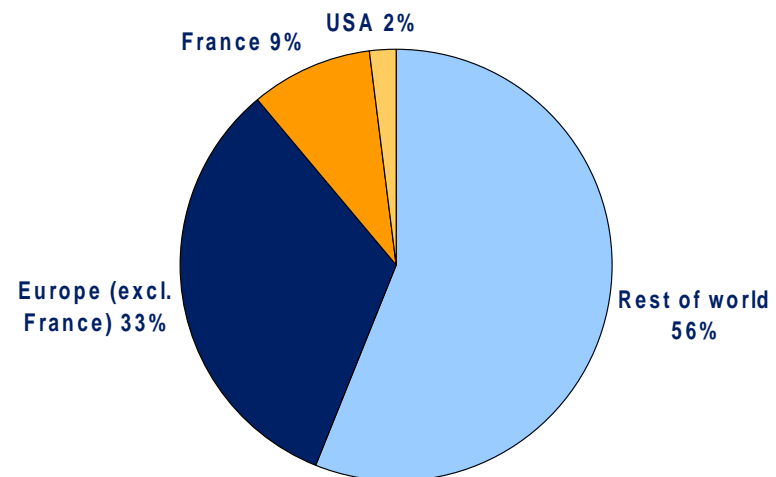
- ▶ Revenue growth of 31% in 2008

365 million euros  
(91% outside France)

Revenue by business 2008



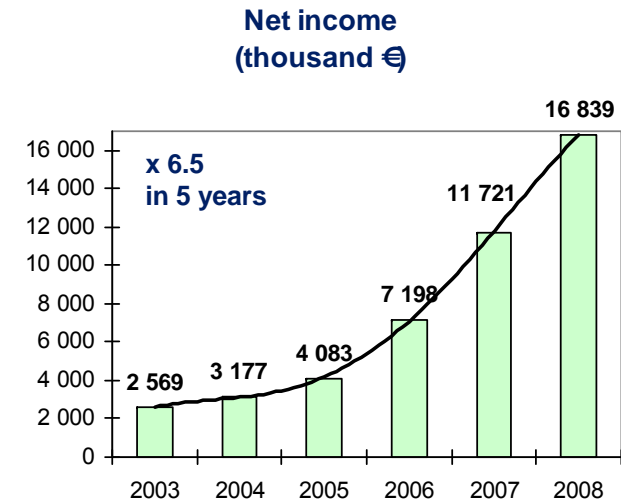
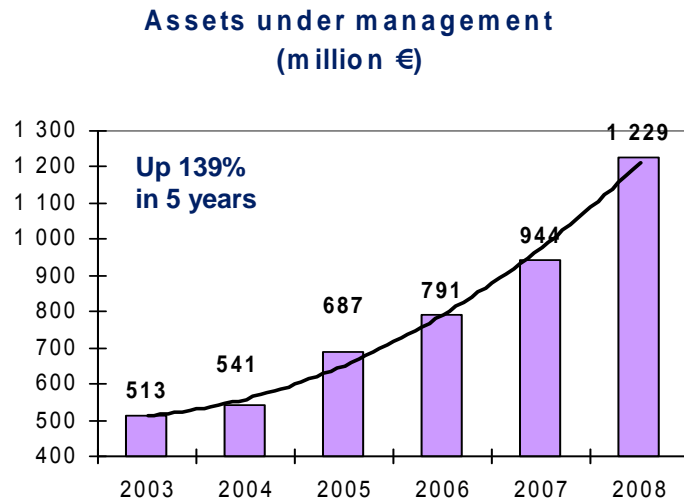
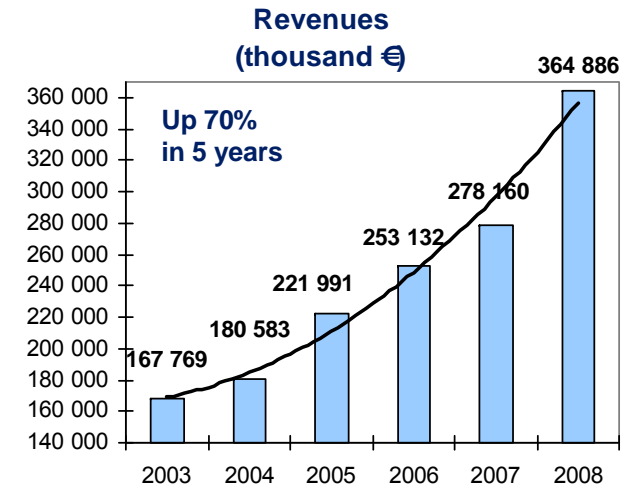
Revenue by region 2008



# The TOUAX Group

## A fast-growth company

- ▶ A sharp rise in:
  - Revenues
  - Net income
  - Assets under management



# The TOUAX Group

## Our core business

### ▶ **LEASING**

- Offer short or long-term flexible investment-free solutions, with or without an option to buy
- Meet requirements by offering associated services

### ▶ **STANDARDIZED LONG-LIFE ASSETS**

- Four assets featuring the following complementary qualities: high investment appeal, profitability, long life and low obsolescence risk

### ▶ **HIGH-POTENTIAL MARKETS**

- International markets
- High volume trading

# The TOUAX Group

## Our policy

### ▶ **DEVELOPMENT**

- Increase the range of new lease equipment in the four core businesses
- Pursue the Group's growth strategy in a bid to increase market shares and generate economies of scale

### ▶ **BREAKDOWN IN RISKS**

- Balance between proprietary and third-party assets under management (1/3 proprietary assets and 2/3 assets managed for third parties)
- Four independent markets
- International growth drivers resulting from strong geographic diversification

### ▶ **HUMAN CAPITAL**

- Strong values
- Driven by the workforce



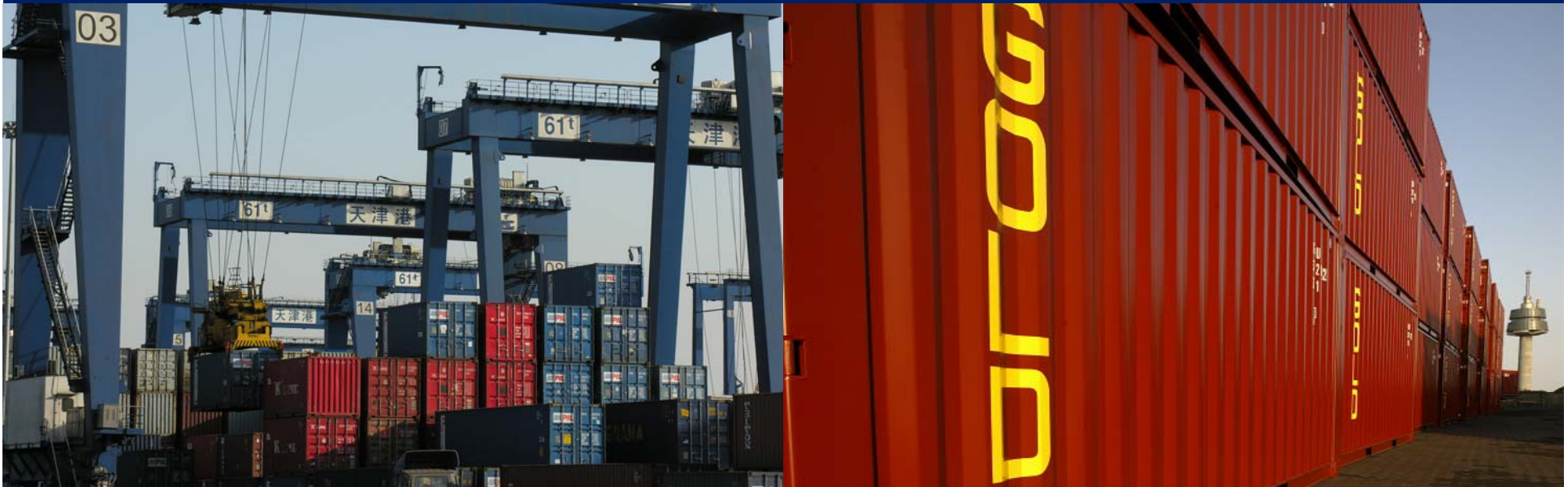
# The TOUAX Group

## Markets with structural growth drivers

- ▶ **Shipping containers are fuelled by increasingly globalized trade**
- ▶ According to Clarkson (February 2009 issue), global trade should hold firm against the crisis with a 3% rise in 2009, followed by 5% in 2010. After annual growth of 10% for over 10 years, market growth was still up by 5% in 2008.
- ▶ **Modular buildings - providing an alternative to the crisis**
- ▶ Modular buildings provide a flexible, cost-effective alternative to traditional buildings.
- ▶ European structural funds represent 347 billion euros for 2007 to 2013, and Eastern Europe is the prime beneficiary. Demand from these countries for modular building services and solutions is climbing.
- ▶ Wide-ranging stimulus packages to improve infrastructures will support this business.
- ▶ **River barges are benefiting from growing environmental concerns and demand for commodities and agricultural products**
- ▶ Environmental concerns are pushing for the use of clean transport
- ▶ Demand for commodities and agricultural products from emerging countries remains high. Cost-effective transport is the preferred solution, mainly with the use of river barges.
- ▶ The grain transport sector is undergoing development
- ▶ **Renewal of aging fleets and the deregulated market are boosting the railcar business**
- ▶ In excess of 700 000 railcars will need to be renewed in Europe over the next few years. The necessary investments are estimated at 80 billion euros. Lessors will take full advantage of the deregulated rail freight market by playing a key part in these investments over the next 20 years.

# TOUAX businesses

## Shipping containers



# TOUAX businesses

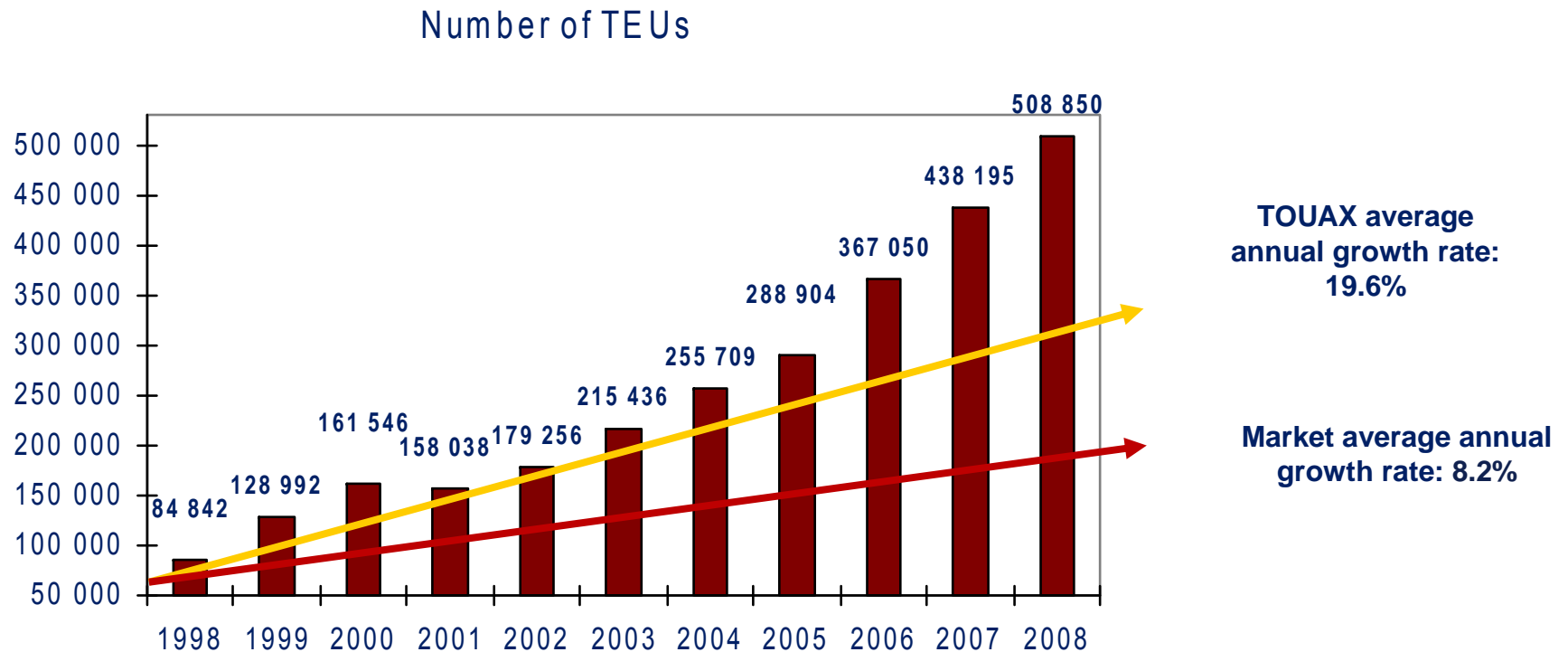
## Shipping containers

- ▶ Leasing of standard dry containers (20 ft and 40 ft)
  - Long-term leases (80% had 3-7 year leases by the end of 2008)
  - Flexible short-term leases (master leases) or lease-purchase agreements
  
- ▶ TOUAX's strengths:
  - New, high-quality containers (average age less than four)
  - Dynamic, recognized sales force
  - Operations in 40 countries (8 agencies, 5 offices and 150 warehouses)
  - Over 120 shipping lines use our services, including the top 25 (Maersk Lines, Evergreen, MSC, China Shipping, CMA-CGM, etc.)

# TOUAX businesses

## Shipping containers

### ► Growth in TOUAX's container fleet



- Booming international trade increased the global number of containers from 12.5 million to 26.2 million TEUs between 1999 and 2008 (10.68 million of which belonging to lessors)

# TOUAX businesses

## Shipping containers

- ▶ Fall in trade growth since September 2008

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Container traffic	2%	10%	12%	13%	10%	11%	11%	5%	3%	5%
Container vessels	8%	8%	8%	8%	11%	14%	12%	11%	13%	12%
Container fleet	4%	7%	9%	10%	7%	9%	12%	*5%	*3%	*5%

Source: Clarkson Research Services - February 2009 & Containerisation International 2008

\* TOUAX forecasts for container fleet growth in 2008, 2009 & 2010

- ▶ In 2008
  - Traffic rose by 5%
  - TOUAX increased its assets under management by 182 million dollars in 2008
  - A fleet of 508 850 TEUs (4.8% global market share)
- ▶ Outlook for 2009
  - Despite the forecasts from Clarkson, global trade is likely to shrink in 2009 before bouncing back / leveling off in 2010
  - Lower organic growth, but no rampant overcapacity in containers
  - The ideal robust business model for a management and long-term leasing company
  - Opportunities to be pounced on (sale & lease back, return of managed containers)
  - Only 11% of gross tangible assets belonging to the group are shipping containers, and 93% of containers managed by the group belong to third-party investors
- ▶ Medium-term outlook remains unchanged
  - Reach over 800 000 TEUs (7% global market share)

# TOUAX businesses

## Modular buildings



# TOUAX businesses

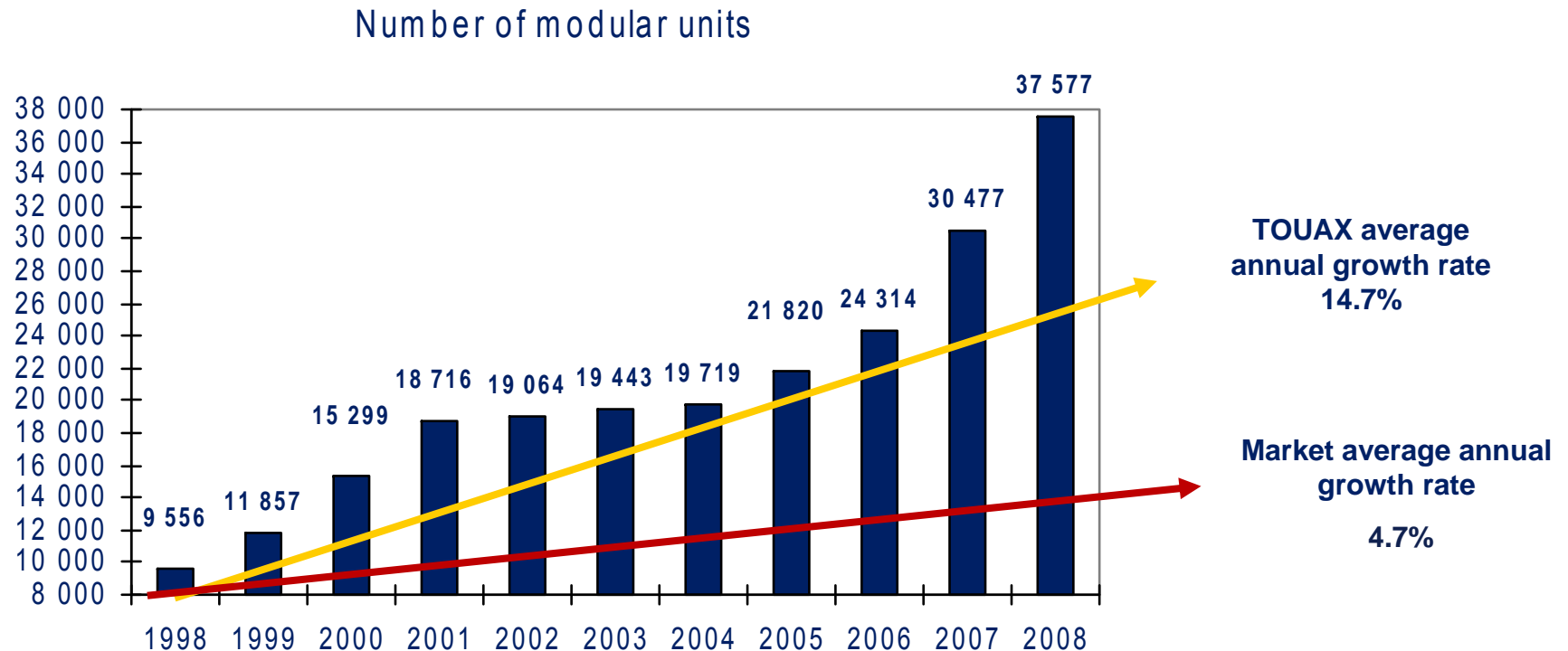
## Modular buildings

- ▶ TOUAX offers high-quality equipment for a wide range of uses (offices, schools, hospitals, site accommodation, etc.) featuring a variety of contracts:
  - Lease
  - Lease-purchase
  - Purchase
  
- ▶ TOUAX's strengths:
  - Operations in nine European countries (including Eastern Europe) and the US (Florida and Georgia)
  - An enhanced purchase offering and improved margins thanks to new assembly plants in France and the Czech Republic
  - A diversified customer base:
    - Industries - Alstom, Urbaser, EADS, Total, Siemens, RWE, etc.
    - Governments - regional councils, city halls, etc.
    - Construction companies - Bouygues, Vinci, Hochtief, SKANSKA, etc.

# TOUAX businesses

## Modular buildings

### ► Growth in TOUAX's modular buildings



- The number of modular buildings available for leasing in Europe has risen from 250 000 to 500 000 units in 15 years (source: TOUAX)
- Over €52 million was invested in equipment in 2008



# TOUAX businesses

## Modular buildings

- ▶ In 2008, TOUAX saw:
  - Sustained growth in Germany and Poland
  - Robust activity in France and Benelux
  - Clear slowdown in the US and Spain (2.9% of group revenues)
  - Positive impact of acquisitions in Germany and the Czech Republic
  - Higher sales thanks to new assembly plants in France and the Czech Republic
  - New branches opened in Europe
- ▶ Outlook for 2009
  - Business will remain sustained in Germany and Eastern Europe
  - The Group is expecting to see reasonable business levels, despite increasing pressure on lease prices
- ▶ Medium-term outlook
  - 10% market share in Europe in three years (7.5% in 2008), representing over 60 000 modular units through internal or external growth

# TOUAX businesses

## River barges



# TOUAX businesses

## River barges

- ▶ Europe's largest fleet of river barges for dry bulk cargoes with 172 units and a hold capacity of 374 161 tons (coal, grain, ore, fertilizer, cement, etc.) source: TOUAX
- ▶ Core lines of business are shipping, chartering and leasing
- ▶ TOUAX's strengths:
  - Unique international experience:
    - In all major European river basins - Rhine, Main, Meuse, Danube, Seine and Rhone
    - On the Mississippi in the US and the Paraná in South America
  - Customers comprising leading manufacturing and shipping companies (Bungee, Cargill, Cemex, Lafarge, Electrabel, CFT, Miller, etc.)
  - Over 150 years' experience

# TOUAX's businesses

## River barges

- ▶ In 2008:
  - All river basins saw relatively satisfactory levels of activity
  - Orders for and deliveries of barges in Europe and South America
  
- ▶ Outlook for 2009
  - Business will be more difficult (especially on the Rhine and in the US)
  - But should remain at a reasonable level thanks to the bright outlook for grain transport
  
- ▶ Medium-term outlook
  - Anchor TOUAX's positioning and win new, long-term leasing and shipping contracts
  - Structural overhaul of river transport (need to renew aging barges and environmental advantages)

# TOUAX's businesses

## Railcars



# TOUAX's businesses

## Railcars

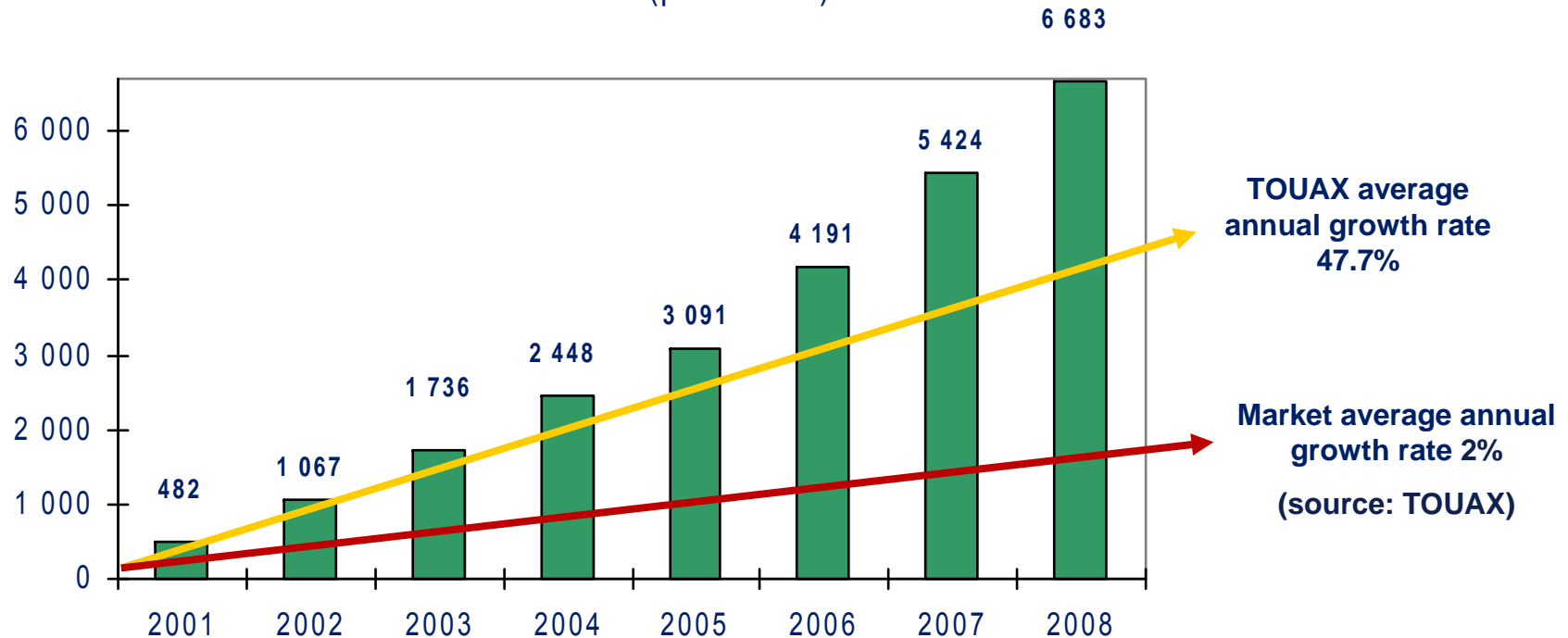
- ▶ TOUAX provides long-term leases for:
  - Container railcars
  - Vehicle carriers
  - Hopper railcars for heavy goods (cement, grain, etc.)
- ▶ TOUAX's strengths:
  - Services that meet customers' needs following the deregulated rail freight market in Europe
  - A partnership with CFCL, the 7th largest lessor of hopper railcars in the US
  - New railcars in response to the need to replace an aging fleet
  - Average lease term of over five years
  - Customers including major railway operators (SNCF, DB, Railion, SBB/CFF, private operators, etc.) and manufacturers (Cargill, Lafarge, Gefco, etc.)

# TOUAX's businesses

## Railcars

### ► Growth in TOUAX's railcar fleet

Number of railcars (platforms)



- European intermodal railway traffic up 9% in 2007 vs. 15% in 2006 – (source: UIRR Statistics 2007)
- Fall in traffic over Q4 2008 and an expected drop in 2009
- Despite the slowdown, TOUAX's leasing services are an attractive option for railway operators (flexibility, outsourcing and maintenance)

# TOUAX's businesses

## Railcars

- ▶ In 2008:
  - TOUAX invested over €69 million in long-term leases in Europe, representing 1 259 railcars (platforms)
  - No investments in the US
  
- ▶ Outlook for 2009
  - Lower organic growth
  - An order book with 500 leased European railcars to be delivered in 2009
  - The ideal robust business model for a management and long-term leasing company
  - Opportunities currently under examination (sale & lease back, take over management of existing fleets)
  
- ▶ Medium-term outlook unchanged
  - Reach a managed fleet of 10 000 railcars by early 2010
  - Secure our place as Europe's 2nd largest lessor of intermodal railcars
  - A structurally buoyant market in the long term



# Results and financing



- Income statement and EBITDA
- Summary balance sheet
- Investments
- Cash flow statement
- Debt
- Risk management
- Asset management

# Results and financing

## Income statement

<i>(thousand €)</i>	12/31/08	12/31/07	change
Leasing revenues	205 560	170 285	
Sales of equipment and sundry items	159 326	107 875	
<b>Total revenue</b>	<b>364 886</b>	<b>278 160</b>	<b>31%</b>
Gains on asset disposals	982	335	
<b>Total revenue from ordinary activities</b>	<b>365 868</b>	<b>278 495</b>	<b>31%</b>
Cost of sales	(146 173)	(99 929)	
Operating expenses	(79 530)	(64 554)	
Selling, general and administrative expenses	(21 229)	(17 804)	
<b>EBIDTA before distribution to investors</b>	<b>118 936</b>	<b>96 208</b>	<b>24%</b>
Depreciation, amortization and impairments	(16 094)	(11 183)	
<b>Operating income before distribution</b>	<b>102 842</b>	<b>85 025</b>	<b>21%</b>
Total investor distributions	(65 399)	(61 569)	
<b>Operating income after distribution to investors</b>	<b>37 443</b>	<b>23 456</b>	<b>60%</b>
Other operating income and expenses (1)	(3 121)	0	
<b>Operating income</b>	<b>34 322</b>	<b>23 456</b>	<b>46%</b>
Financial income	(13 992)	(9 200)	
<b>Pre-tax underlying earnings</b>	<b>20 330</b>	<b>14 256</b>	<b>43%</b>
Corporate income tax	(3 546)	(2 517)	
<b>Consolidated net income</b>	<b>16 784</b>	<b>11 739</b>	<b>43%</b>
Minority interests	54	-19	
<b>Attributable net income</b>	<b>16 838</b>	<b>11 720</b>	<b>44%</b>
<b>Earnings per share</b>	<b>3,72</b>	<b>3,01</b>	<b>24%</b>

(1) Provisions to offset the increase in purchase prices for railcars destined for financial leasing. This increase should be avoided by ordering extra railcars from a manufacturer; this decision has not been taken as a precautionary measure due to the low demand expected in 2009.

## Results and financing

### EBITDA

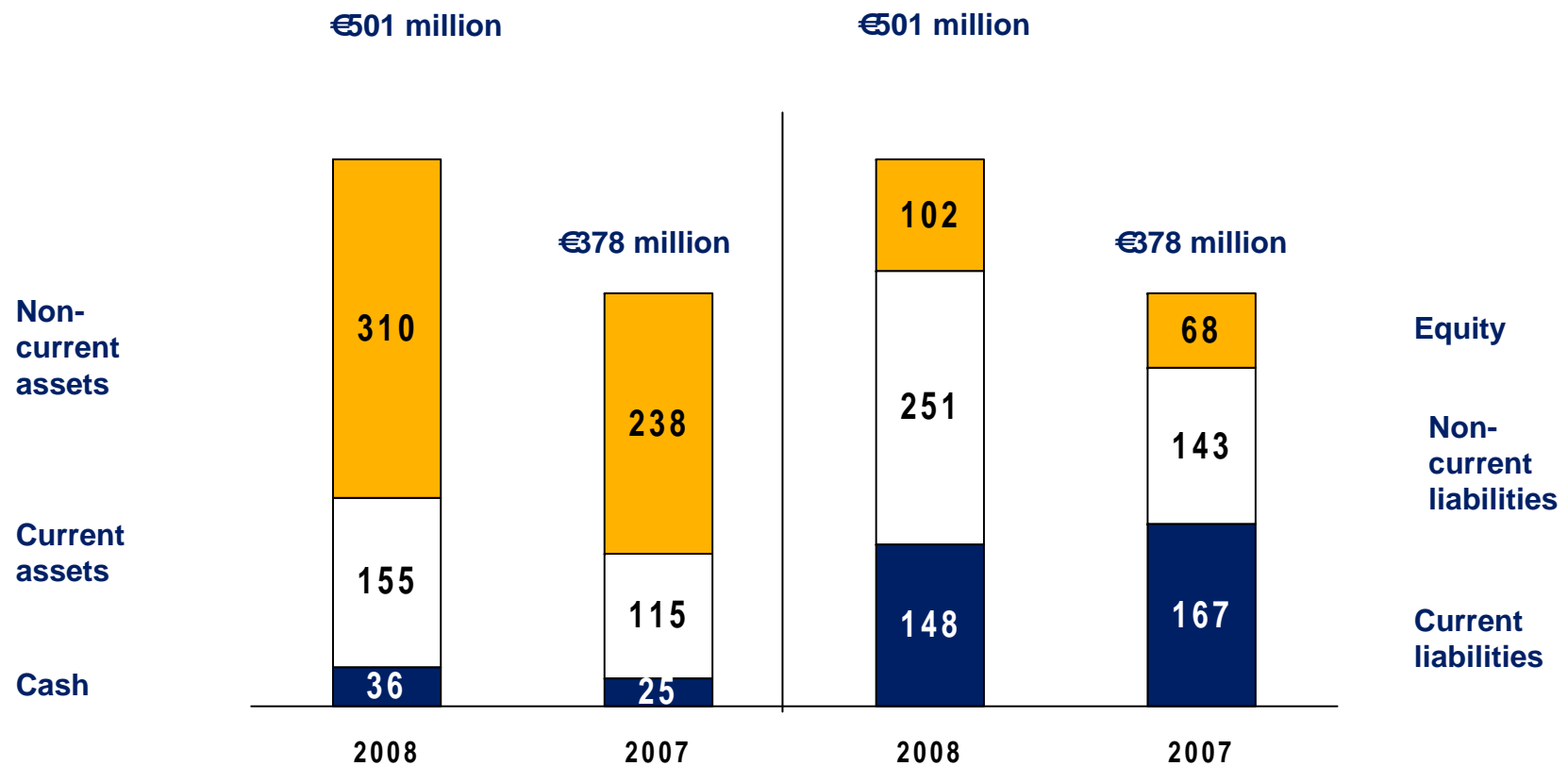
- ▶ The 54% increase in EBITDA after distribution to investors reflects the strategy of investing in company-owned equipment (38.5%), assets under management (26%), sales (48%) and economies of scale

<i>(thousand €)</i>	EBITDA before distribution to investors	Distribution to investors	EBITDA after distribution to investors
Shipping containers	65 266	-51 744	13 522
Modular buildings	32 776	-4 653	28 123
River barges	5 737	-274	5 463
Railcars	20 042	-8 728	11 314
Other (overheads, sundry items and eliminations)	-4 884		-4 884
<b>12/31/08</b>	<b>118 937</b>	<b>-65 399</b>	<b>53 538</b>
<b>12/31/07</b>	<b>96 208</b>	<b>-61 569</b>	<b>34 639</b>

- EBITDA = earnings before interest, taxes, depreciation and amortization.

# Results and financing

## Summary balance sheet (million €)



## Results and financing

### Investments

- ▶ Net investments in 2008 totaled €269.8 million vs. €223 million in 2007
  - Investments in capitalized assets & inventory: €113 million (€114 million in 2007)
  - Investments in managed equipment: €156.8 million (€109 million in 2007)

(million €)	Capitalized assets & inventory	Managed equipment	Total investments
Shipping containers	-19.9	144	124.1
Modular buildings	55.2	-2.2	53
River barges	23	-	23
Railcars	54.7	15	69.7
<b>Total</b>	<b>113</b>	<b>156.8</b>	<b>269.8</b>

## Results and financing

### Cash flow statement

- ▶ Cash flow statement

	2008	2007
Cash flow from operations excl. WCR	50,9	33,1
WCR (including WCR of €57 million relating to inventory)	(59)	(3,8)
Cash flow from operations (I)	(8,1)	29,3
Cash flow from investing	(101,1)	(90,1)
Cash flow from financing	119,0	62,9

- ▶ Inventory comprised €90 million of equipment as of December 31, 2008, the majority of which is already leased. There are plans to sell most of this equipment to investors

## Results and financing

### Debt

	2008	2007
Net debt with recourse	€159.1m	€110.3m
Gearing with recourse (net debt with recourse / equity ratio)	1,5	1,6
Leverage with recourse (net debt with recourse / EBITDA)	3,0	3,2

- ▶ The gearing and leverage ratio fell as a result of a share issue in the first half of 2008, returns on investments and the management of the Group's debt

# Results and financing

## Debt

	Balance sheet amount	% of total	Avg. interest rate	% variable rate
Short-term credit	€60.5m	20,3%	3,77%	100%
Medium & long-term credit	€134.9m	45,3%	4,79%	39%
Non-recourse debt	€102.5m	34,4%	4,11%	70%
<b>TOTAL</b>	<b>€297.9m</b>	<b>100%</b>	<b>4,38%</b>	<b>62%</b>

- ▶ 34% of the Group's consolidated debt is non-recourse
- ▶ 13% of the Group's debt is in USD

Theoretical repayments due in the year

<b>2009</b>	<b>€54 m</b>
-------------	--------------

- ▶ Only €17 million corresponds to planned repayments
- ▶ The remaining €37 million is mainly short-term credit facilities renewed annually



# Results and financing

## Risk management

- ▶ The Group faces limited liquidity risk thanks to:
  - €50.9 million in cash flows from operations (excluding WCR variations) in 2008
  - €31.9 million of cash flow (operating cash flow plus the value of assets sold) on average over the past three years (€40.6 million as of December 31, 2008)
  - €267 million of plant, property and equipment, €90 million of inventory, and €35 million of cash and marketable securities
  - €100 million of lines of credit available
- ▶ In 2008, the Group secured an additional €190 million of credit lines and increased its capital by €23.3 million
  - "Club deal" revolving credit worth €55 million with seven banks
  - The Group's two asset-backed revolving credit lines have been renewed:
    - Increased as €55 million for the railcars division and for two years
    - Pending renewal (25 million USD) until 2010 for the containers division (committee approval received)

# Results and financing

## Risk management

### ► Interest rate risk

- After accounting for rate swaps: the interest rates on the company's debt are 62% variable and 38% fixed
- For its stable debt (excluding pre-financing), the rates are 63% fixed and 37% variable
- The company's average interest rate has fallen to 4.38% vs. 5.58% end-2007
- A 1% change in variable rates would change the company's borrowing costs by 15% (€2 million out of €13 million of theoretical financial costs)

### ► Currency risk

- A recovery in the USD will boost the company's earnings in 2009 (half of its revenues are in dollars), which will offset the fall in currency rates in Eastern Europe (4% of revenues in Zlotys and 3% of revenues in Czech Korunas)
- The company has hedged its 2009 earnings in USD based on a budgeted exchange rate of 1 EUR = 1.41 USD
- The company has also hedged its intra-group cash flows

# Results and financing

## Equipment managed for third parties

- ▶ The Group concluded €156.8 million of management programs in 2008, up 44% vs. 2007
- ▶ The Group currently manages over €800 million of assets for more than 20 investors in over 25 different equipment pools
- ▶ Investor growth has boosted the Group's development, particularly in shipping containers and railcars
- ▶ These third-party investors (91% of which are invested in management programs, 9% via securitization) come from a wide variety of backgrounds: family trusts investment firms, private investors, American pension funds, banks, financial firms and Japanese trading companies
- ▶ One of the keys to the success of the management programs is the Group's ability, developed over the last five years, to pre-finance these assets by leasing them prior to selling them to investors
- ▶ Our investors do not only purchase a long-term tangible asset, but recurring profitability based on long-term contracts with an average term of 3 to 5 years

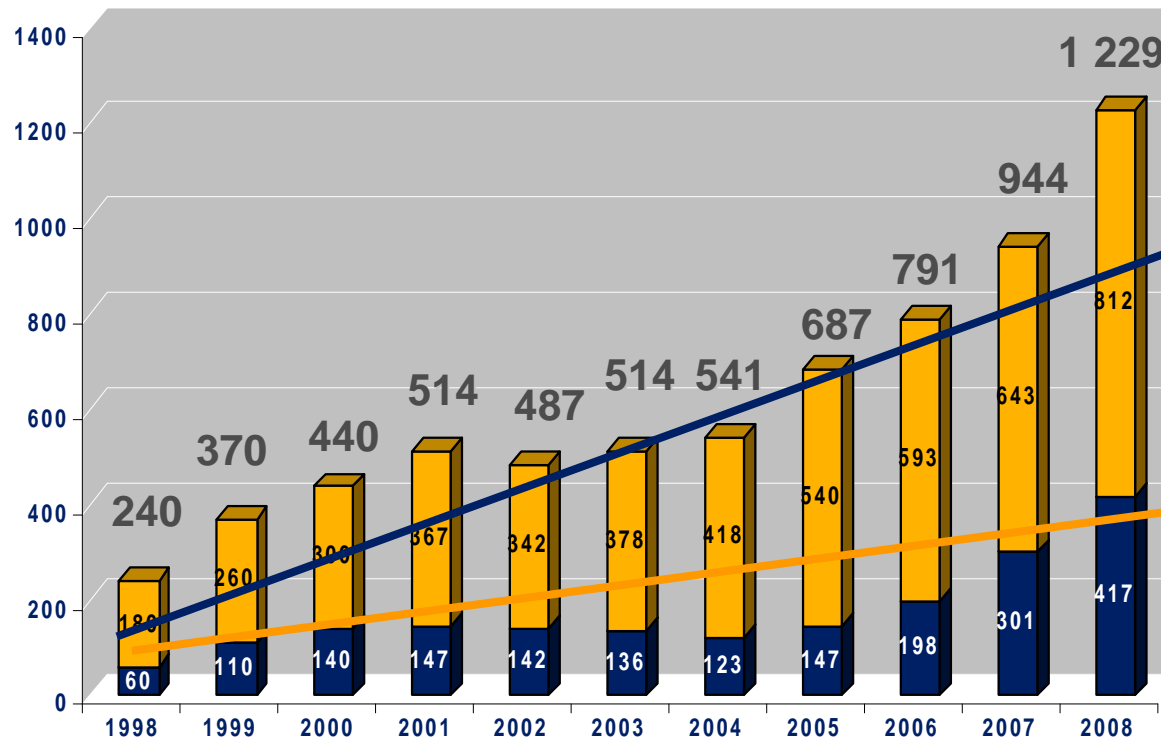
# Results and financing

## Breakdown of gross tangible assets under management

▶ (million €)

- Equipment owned by investors
- Equipment owned by Touax

Average annual growth in equipment 17.7%



Growth in TOUAX-owned equipment 21.3%

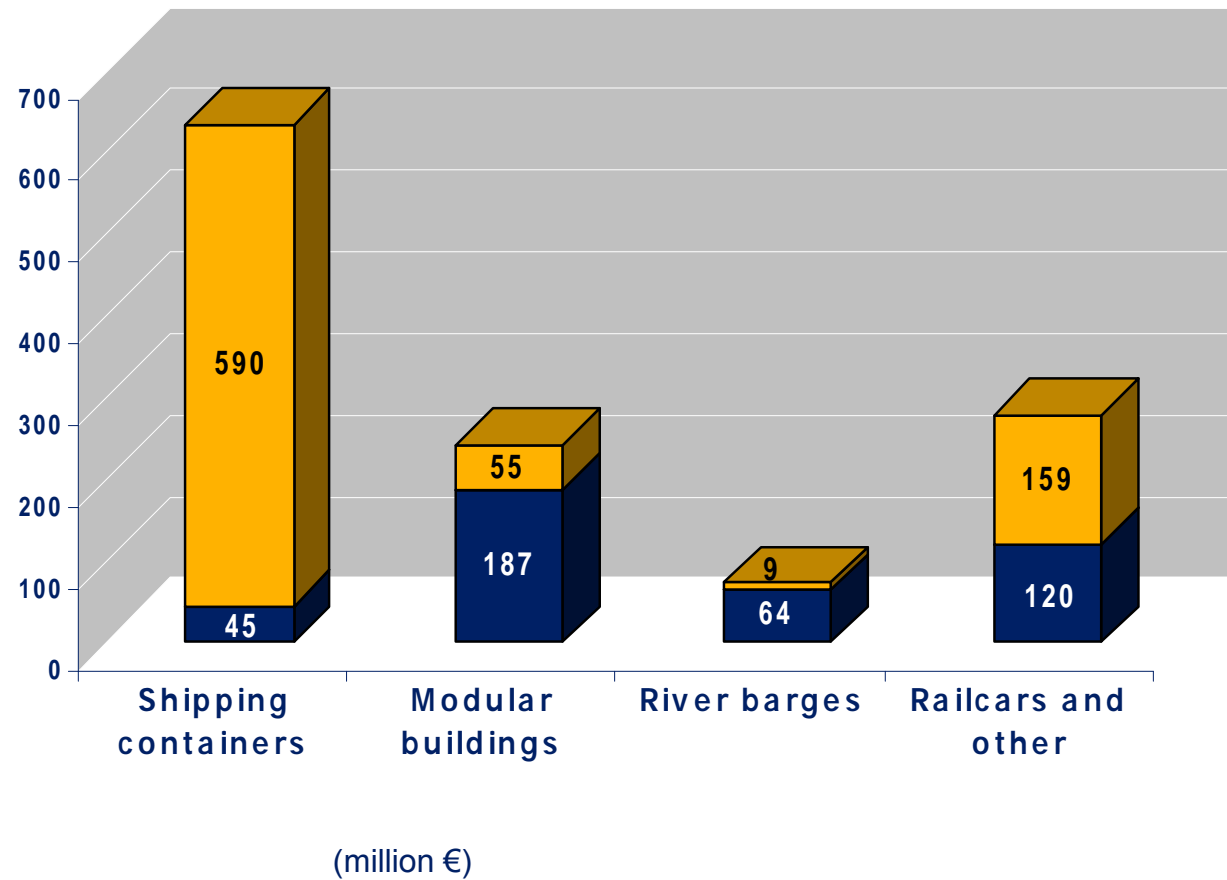
Growth in managed equipment 16.3 %

▶ Over half of the managed assets is valued in USD (1 EUR = 1.3917 USD)

# Results and financing

## Breakdown of equipment by business

■ Owned by Touax    ■ Owned by investors



## Results and financing

### Equipment managed for third parties

- ▶ According to conservative estimates, TOUAX generates profitability for investors between 6% and 7% above the long-term rate (before leverage)
- ▶ Annual returns on investment vary between 9% and 13% depending on the marketplace and the economic climate (distributable net earnings divided by the equipment purchase price)
- ▶ These investments are based on a strategy of diversifying assets and re-occurring investments for the most part un-leveraged. However, certain programs depend on the debt markets.
- ▶ All programs are non-recourse for the Group and do not feature a minimum revenue guarantee
- ▶ Over €100 million in management programs are already under discussion for 2009

# Strategy and targets



- Growth strategy
- Distribution of risks
- 2009 targets

# Strategy and targets

## Growth strategy

- ▶ In 2009, TOUAX will consolidate its assets and take a careful look at attractive purchase opportunities in an environment where internal growth will be lower
  
- ▶ Medium term
  - Development policy
    - Expand the fleet of new equipment on long-term lease contracts for the four businesses
    - Win market shares in the four businesses and strengthen the economies of scale



## Strategy and targets

### Distribution of risks

- ▶ Breakdown in managed equipment
  - 25% owned by TOUAX
  - 75% managed for investors
  
- ▶ Owned equipment provides a substantial recurring revenue stream and bolsters the company's prospects through opportunities for gains on future sales
  
- ▶ Equipment managed for investors:
  - Generates additional earnings
  - Improves the company's ROE without requiring investment in additional capital

# Strategy and targets

## Outlook for 2009

- ▶ **The outlook for 2009 remains respectable**
- ▶ Slight fall in profitability (lease rate and usage rate) on existing equipment (proprietary and investor-owned)
- ▶ Lower organic growth
- ▶ **TOUAX benefits from:**
  - A diversified business model offering protection from economic cycles
  - Operations in several regions, including developed and emerging markets
  - Long-term contracts offering good revenue visibility
  - Strategic investments in 2008 that should boost earnings in 2009
  - Structural growth drivers in key markets (railway and river transport)
  - Potential opportunities for external growth

## Strategy and targets

### Outlook for 2009

- ▶ The Group has confirmed its solid footing at the beginning of the year
- ▶ The Group is aiming for **minimum growth of 5%** in its leasing revenues after five years of strong growth
- ▶ More accurate forecasts will be given mid-2009

# TOUAX and the stock market

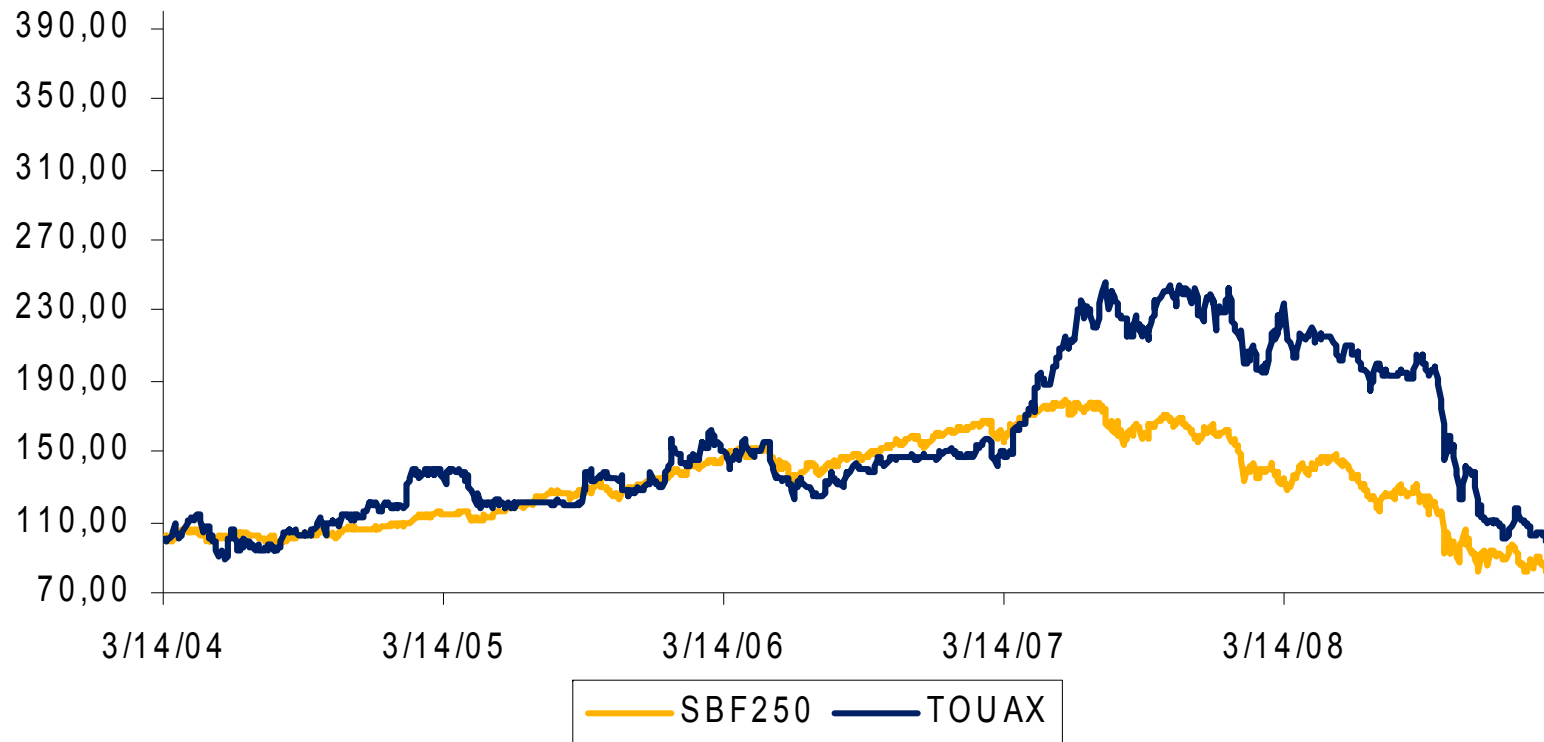


- TOUAX share price
- TOUAX share data
- Strengths of the TOUAX share

# TOUAX and the stock market

## TOUAX share price

Five-year Touax share price data (base of 100 as of March 9, 2009)



- ▶ TOUAX was added to the SBF 250 and CAC Small 90 indices on August 28, 2008

## TOUAX and the stock market

### TOUAX share data

	2008	2007	2006	2005
Number of shares (thousands)	4 683	3 898	3 886	3 765
Market capitalization (million €)	80.78	156.65	97.52	88.29
Equity attributable to parent company stockholders (€m) (1)	102.49	68.50	60.47	56.22
Share price high (€)	40.60	41.99	27.30	23.72
Share price low (€)	16.63	22,50	20.00	19.25
Average daily trading volume (number of shares)	4 968	6 177	5 578	4 385
EPS (€)	3.72 (4)	3.01 (3)	1.86 (2)	1.40 (1)
P/E ratio	4.79	13.35	13.49	16.75
Dividend per share (€)	1	1	0.75	0.70
Dividend yield	5.8%	2.5%	3.0%	3.0%
Closing share price	17.25	40.19	25.10	23.45

(1) Weighted average number of ordinary shares: 2 923 486

(2) Weighted average number of ordinary shares : 3 873 294

(3) Weighted average number of ordinary shares : 3 888 828

(4) Weighted average number of ordinary shares : 4 526 847

## TOUAX and the stock market

### Strengths of the TOUAX share

- ▶ A robust business model:
  - TOUAX's equipment retains a high market value due to its standard features and long useful life, giving the company a recurring cash flow
  - Diversification and global exposure, which help spread macroeconomic risks, especially during economic slowdowns
  - The Group's key markets have structural growth drivers
- ▶ A growth and income stock based on tangible assets
- ▶ Future-proof management in line with stockholders' interests
- ▶ An environmentally-responsible company: railway and river transport have low CO<sub>2</sub> emissions; modular buildings comply with environmental standards

## Q&A



- For further information, please visit the Touax website

- [www.touax.com](http://www.touax.com)



