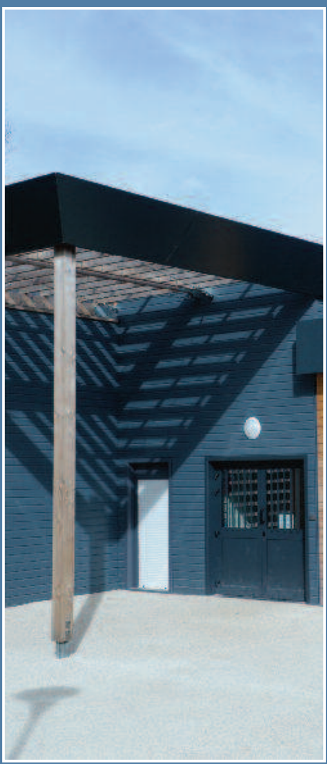
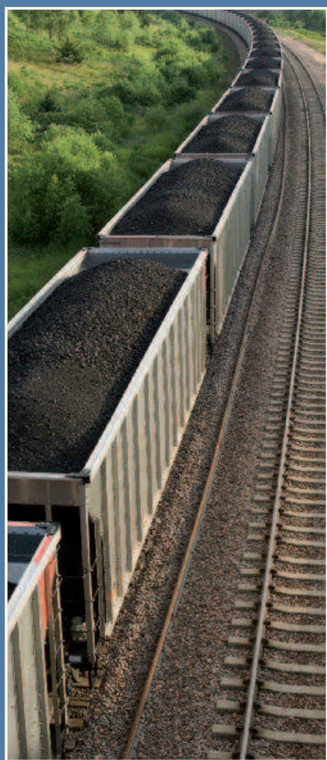
Touax

2014 Annual report





YOUR OPERATIONAL LEASING SOLUTION

SHIPPING CONTAINERS

N°1 in Europe

- 627,000 containers
- 3.8% global market share
- 57% of the revenue

Your operational SOLU

TOUAX, a global corporate services provider, specializes in the operational leasing and sale of shipping containers, modular buildings, freight railcars, and river barges.
We meet our customers' needs worldwide, offering tailored solutions for leasing, hire-purchase, sale and lease back and sale.
Thanks to our know-how and expertise, we can assist our customers with related services such as asset management, maintenance, consulting, technical appraisals and trading.

RIVER BARGES

n°1 in Europe and South America

- 130 river barges
- 25% European market share
- 6% of the revenue

MODULAR BUILDINGS

n°2 in Continental Europe

- 50,500 modular buildings
- 7.5% Continental European market share
- 25% of the revenue

leasing TION

FREIGHT RAILCARS

n°2 in Europe

Europe (intermodal freight)

- 8,600 freight railcars
- 6.5% European market share
- 12% of the revenue

With operations across five continents, TOUAX posted a revenue of **€379** million in 2014, including **91%** generated outside France.
On December 31 2014, the Group managed over **€1.7 billion** in equipment for its own account as well as on behalf of both private and institutional investors.

Contents

The revenue of the TOUAX Group increased by 8.4% in 2014 to reach €378 million.
Our 3 transport equipment leasing businesses (shipping containers, freight railcars and river barges) performed well with a positive operating profit and benefiting from good geographical diversification in Europe, the Americas and Asia.
But the modular buildings leasing and sales business has continued to be impacted by low activity in Western Europe, particularly in the construction sector.
This has resulted in a net loss attributable to the Group of €12.9m, although this is an improvement with respect to 2013.

CLOSE to our customers

After 10 years of continuous growth of the assets we own (from €147 million in 2005 to €708 million in 2014), we are continuing our financial strategy to stabilize the level of assets held in the ownership of TOUAX and improve the rental profitability, in order to generate free cash flow which in turn creates shareholder value. The Group's free cash has therefore increased significantly for the 2nd consecutive year, from €25.3 million at the end of 2013 to €57.1 million at the end of 2014. Group debt fell by 10% while equity remained stable at €185 million. The Group also benefited from the appreciation of the US Dollar compared to the Euro.

We are continuing to finance our growth with third-party investors in order to increase our management revenue, generate economies of scale and establish a presence with our customers. For the first time, the assets that we manage on behalf of third parties exceeded one billion Euros in 2014.

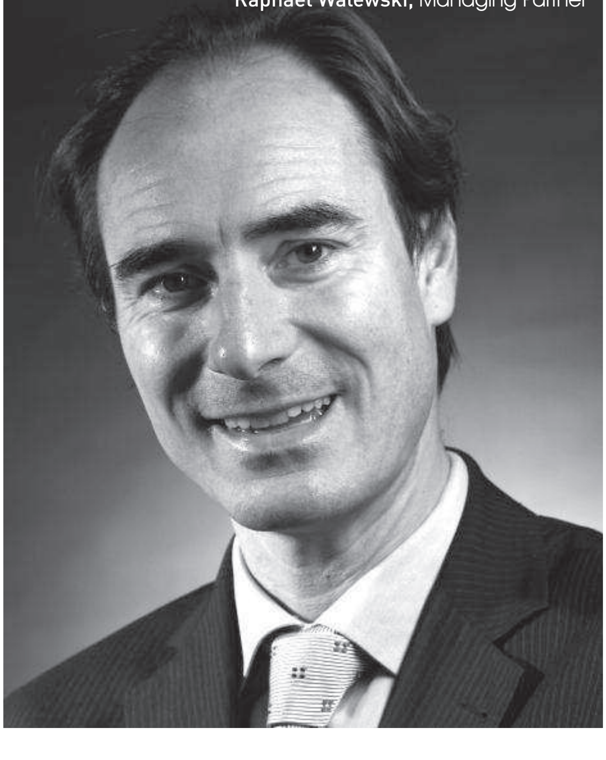
In 2015, our business strategy focuses primarily on restoring profitability to the assets we manage with a particular focus on the Modular Buildings division. We have seen encouraging signs from Poland and Germany, but it will take time for this business to reach break-even point again.

We are also continuing our international expansion towards areas with potential like Asia, South America and Africa.

The year 2014 was full of commercial success with a continuous improvement in the quality of services and products offered to our customers.

Within the **Shipping Containers** division we increased sales with 100 new customers including logistics operators and maintained a high utilization rate close to 90%.

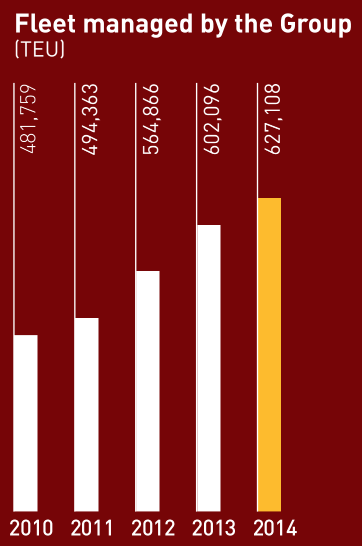
In the **Modular Buildings** division we have expanded our operational area into more than 10 new countries in Africa, into Finland where we have created childcare centres and into Brazil, where we sold a substantially-sized modular building for a public health organisation. In Europe, we have won major contracts that demonstrate the ability of TOUAX to deliver complex modular assemblies: a building in France with 350 modules for a client in the construction industry, the leasing of 400 modules in Benelux, an installation of over 800 modules on a power plant in Poland, and in Germany various contracts relating to 500 modules at Berlin airport and over 1,000 modules for refugee camps.


Raphaël Walewski, Managing Partner

The utilization rate in the **Freight Railcars** division has increased thanks to new contracts in Europe and we have ordered 300 new railcars. In the United States, given the high value of certain assets and particularly those for shale gas exploration, we opted to sell part of our fleet on 30 June 2014, a decision that proved wise after the fall in raw materials prices which occurred during the 2nd half of 2014.

In the **River Barges** division, marketing efforts in Europe have allowed us to rent almost all the barges to industrial customers again.

The initiatives undertaken to win these contracts, allow the Group to grow and improve profitability require a great deal of hard work from our employees. We thank them for their high quality work and dedication and our partners and shareholders for their trust, commitment and loyalty.



Shipping containers ACTIVITY

AS THE WORLD'S 9TH BIGGEST LEASE-PROVIDER AND A EUROPEAN LEADER WITH A 3.8% MARKET SHARE, TOUAX GLOBAL CONTAINER SOLUTIONS IS SUPPORTING THE GROWTH OF THE INTERNATIONAL SUPPLY CHAIN OF CONTAINERS AND OFFERS A WIDE RANGE OF PRODUCTS AND SERVICES FOR RENTAL AND SALES.

A reference business partner

TOUAX owns and manages a fleet of high standard containers, mostly dry vans of (20', 40', and 40' HC). The fleet reached 627,000 TEU at the end of 2014, up from 600,000 TEU at end 2013. In 2014, the Group increased its diversification by adding refrigerated containers to its fleet, thus supplementing its maritime range.

As a comprehensive container life-cycle actor, TOUAX offers solutions for Leasing, Financing, Purchase & Lease Back, Fleet Management and Trading.

We have developed close and long standing business relationships with the top container shipping lines like Maersk Lines, Mediterranean Shipping Company, CMA–CGM, Hapag Lloyd, APL-NOL, Evergreen and China Shipping and serves over 120 shipping companies including the top 25 major shipping lines and over 500 clients in the Retail sector.
TOUAX is also a leader in operational management of containers on behalf of third party financial investors.
We continue expanding our global commercial footprint, growing our workforce in our regional hubs and agencies, with a great focus to Asia. Our global network of 200 strategically located depot partners continues to be the backbone of its operations worldwide.
In 2014, the company maintained an average utilization rate of 91% and augmented its fleet of 27,000 TEU, demonstrating TOUAX' ability to optimize its fleet performance and its management capabilities.

Services expansion

Committed to the container industry for 30 years, TOUAX operates with long term perspectives and targets to reach a fleet of 800,000 TEUs in the medium term.
In 2015, we will be expanding our range of innovative solutions with formulas for managing fleet sales on behalf of ship-owner clients and the development of innovative containerized products for logistics markets and static storage.

A globalized container supply chain scales up

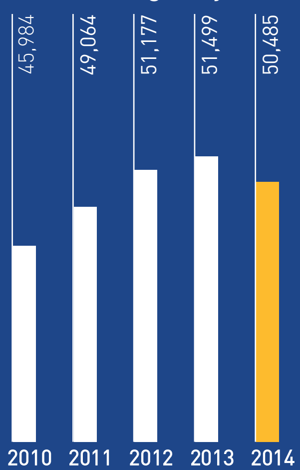
The container industry continues to see in 2014 significant investments in port terminals worldwide and orders and charters from shipping companies of larger, fuel-efficient and eco-friendly ships. The whole supply chain is modernizing and scaling up.
Shipping containers continue to help the fluidity of global exchanges, with an estimated growth of containerized trade increasing, at 6.7% in 2015.
The overall demand for shipping containers steadily increased in 2014 with an estimated production of 3m TEUs of dry containers, after 2.4 million in 2013.
Container lessors continued to support massively the shipping industry, as shipping lines protected their cash reserves and focused their capital expenditures on new ships and terminals. Over 60% of containers produced in 2014 were ordered by lessors, 40% by shipping lines.
Likewise, domestic on-shore demand continues to expand, in both emerging and mature markets to serve the needs for domestic transport, portable storage and converted accommodation.

Fleet of 627,000 TEU

30
years of experience

200
partner depots

Fleet managed by the Group



FOR ALMOST 40 YEARS WE HAVE SUPPORTED OUR CUSTOMERS IN EUROPE AND THE UNITED STATES, AND NOW ALSO IN AFRICA AND SOUTH AMERICA. THANKS TO THE INCREASE IN OUR INDUSTRIAL CAPACITY, WE NOW SERVE OUR CUSTOMERS THROUGHOUT THE WORLD. OUR R&D TEAMS DEVELOP SOLUTIONS THAT MEET OUR CUSTOMERS' LOCAL REQUIREMENTS. AS A MANUFACTURER AND LESSOR OF MODULAR BUILDINGS, WE MUST OFFER TAILOR-MADE SOLUTIONS FOR ALL PROJECTS.

Modular buildings

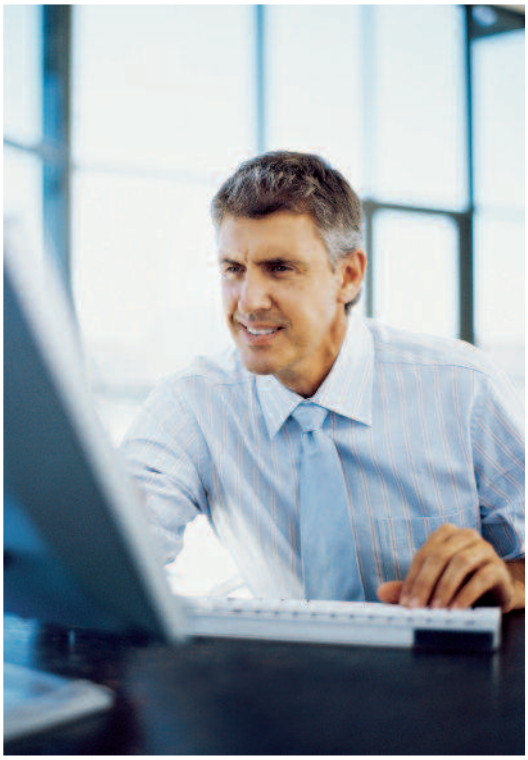
ACTIVY

A comprehensive offer of products

TOUAX is a manufacturer, a vendor, and leasing company, and produces modular buildings and prefabricated buildings that meet the highest quality standards (such as RT2012 in France or EnEv in Germany) and are suited to all our territories (Europe, America, Africa and the Middle East). Our solutions include site facilities, offices, classrooms, social and emergency accommodation, clinics, sales offices, camps, changing rooms etc. Our teams are able to set up on-site facilities of several thousand square meters in both Africa and Europe.

Successful international diversification...

Already established in 14 countries, TOUAX has continued its expansion into promising new markets: in Africa (particularly Morocco, Algeria and Ivory Coast) through the export of health and education buildings and in South America, most notably Brazil. These requirements in these areas are very high because of their growth.



We are now able to support our clients on these continents with all types of modules. In the medium term, TOUAX aims to expand its sales in these areas. TOUAX generates more than 70% of its revenue in the division outside France.

Keeping to our commitments

In both rentals and sales, TOUAX clients have the following reasons for choosing modular buildings:

- Global cover;
- Very short lead times (8 to 10 weeks to deliver several thousand m²);
- Very attractive prices 10 to 50% lower than for traditional buildings;
- Measurable performance concerning the quality of buildings delivered (RT2012, EnEv etc.);
- A tailored, eco-friendly offer available worldwide (HQE label);
- A solution that is 100% flexible, 100% modular and 100% adaptable to our customers' needs.

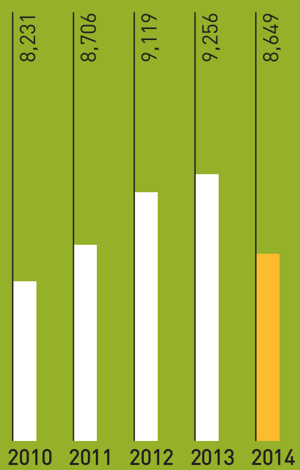
5,000 clients

50,500 modular buildings

14 countries

IN DECEMBER 2011 TOUAX RAIL OBTAINED ENTITY IN CHARGE OF MAINTENANCE (ECM) CERTIFICATION, ACCORDING TO THE NEW EUROPEAN LEGISLATION. THIS STATUS REPRESENTS AN IMPORTANT STAGE FOR TOUAX IN THE EXPANSION OF ITS BUSINESS AND OFFERS ITS CUSTOMERS THE GUARANTEE OF EXPERTISE AND SKILL.

Fleet managed by the Group
(including technical management-ECM)



Freight railcars ACTIVITY

A comprehensive service for leasing, sale and maintenance of freight railcars

TOUAX RAIL offers leasing agreements including maintenance services. The strengths emphasized by TOUAX RAIL for the benefit of its customers are its command of maintenance and rail safety. TOUAX RAIL has been a certified Entity in Charge of Maintenance (ECM) since the end of 2011.
TOUAX RAIL offers leasing services in Europe, the United States and Asia. In Europe through offices located in Ireland (Western Europe zone), completed by a network of branches covering the whole of Europe, the United States and Asia (in partnership with a local partner).
At the end of 2014 TOUAX RAIL managed a varied range of more than 8,600 freight railcars, such as intermodal railcars (transport of containers and swap bodies), car-carrier railcars, coil carriers (transport of steel coils), palletized cargo railcars (transport of palletized products) and hopper railcars and powder railcars for transporting heavy goods (cement, cereals etc.), of which approximately 1,300 railcars are managed with technical maintenance (ECM department).

Major groups as customers

TOUAX RAIL offers its services to a varied customer base made up of major rail groups such as the French national railway company (SNCF), the Belgian national railway company (SNCB), Rail Cargo Austria (RCA), DB Schenker Rail (Deutsche Bahn), the Swiss railway companies (SBB/CFF), or also the Slovak railway companies (ZSSK), as well as private operators and big industrial, automotive or petrochemical groups like BASF.

The division's expansion strategy

In view of the need to replace the railcar fleet in Europe, and the recovery in the USA, TOUAX RAIL aims to manage 15,000 units in the medium term. TOUAX RAIL is also well-placed to continue its international expansion and its fleet diversification policy through the expansion of its sales network. In recent years, being closer to our customers and being responsive to their needs has increased the number of new clients and covered more countries.
ISO 9001 certified since 2010, we keep customer satisfaction at the very forefront of our minds and at the heart of all we do.

2nd largest
European lessor of intermodal railcars

8,600 railcars

Present in Europe, the USA and Asia

River barges ACTIVITY

WITH 160 YEARS' EXPERIENCE IN RIVER TRANSPORT, TOUAX RIVER BARGES HAS DEVELOPED INNOVATIVE AND EXCLUSIVE SOLUTIONS FOR LONG TERM LEASING AND SALES OF ASSETS FOR MANUFACTURERS AND RIVER TRANSPORT LOGISTICS OPERATORS ON THE MAIN RIVER BASINS IN THE WORLD. WE OFFER ADDED VALUE FOR RIVER TRANSPORT BY PROVIDING A TAILORED SERVICE OFFER TO OUR WORLDWIDE CUSTOMERS.

TOUAX provides an innovative range of services for the river barge market, thanks to its mastery of all aspects of the river transport chain, from construction to turnkey delivery.

TOUAX River Barges offers its customers total expertise in the river transport sector:

- operational and financial leasing of barges,
- trading of barges and push tugs,
- fleet management,
- sale and lease back of river fleets,
- technical design and monitoring of construction,
- insurance,
- advice, assistance and technical expertise regarding river transport,
- management of river transport certificates and administrative documents.

At 31 December 2014 the TOUAX Group managed a fleet of about 130 barges, and was the biggest leasing company for bulk cargo barges in Europe and South America.

Unique international presence...

TOUAX River Barges has an extensive geographic presence in the main river basins in the world:

- **In Europe:** the Group is very present on the Seine and the Rhône in France, on the Rhine, the Meuse, the Moselle and the Main in Northern Europe and on the Danube in Central Europe. TOUAX is one of the main players on the Rhine – Main – Danube network (2,500 km crossing 10 countries).
- **In North America:** TOUAX leases barges on the Mississippi and the Missouri to different logistics operators.
- **In South America:** TOUAX rents over 50 barges under long-term leases on the Paraná Paraguay River which crosses Uruguay, Argentina, Paraguay, Bolivia, and is actively developing a range of sales and leasing solutions on the main rivers.

The Group plans to expand to other river basins located in South America (Colombia and Brazil) and in other emerging countries in order to extend its global presence.

Prestigious customers...

- river logistics operators: Navrom-TTS, Miller, Ceres, UABL, P&O Maritime Services etc.
- industrial companies: Cemex, Arcelor, Yara, Bunge, ADM-Toepfer, Total...

A constantly evolving market...

River transport remains the most competitive means of inland transport (7 times cheaper than road transport), which is the cheapest for the community (oil consumption 3.7 times lower than road transport), the most environment-friendly (4 times less CO2 than road transport) and continues to unblock the road networks (a 24-barge pusher convoy in the USA means 2,200 fewer trucks on the roads).

TOUAX aims to continue investing in North and South America and to increase its sales revenue.

1st barges lessor
in Europe and in South America

130 barges

TOUAX was a key operator in French river transport for over a century and until the early 1970s. As this mode of transportation was gradually replaced by other modes, the Group decided to diversify into railcar leasing. TOUAX later seized an opportunity to start leasing modular buildings, and then acquired a shipping container specialist. We have successfully diversified into four major types of equipment, focusing exclusively on standard, mobile equipment. This ensures consistency and avoids dependence on a single economic cycle linked to one line of business.

THROUGHOUT THE PAST 20 YEARS, THE GROUP HAS EMPHASIZED INTERNATIONAL GROWTH in order to establish itself in buoyant foreign markets. Furthermore, we constantly adapt our products, services, and know-how to reflect evolving markets and customer demand. Today TOUAX is recognized as a key, comprehensive operator in each of its business lines. We are the European leader in shipping containers and river barges, and the no. 2 European provider for modular buildings and intermodal railcars.

HISTORICAL MILESTONES

Originally, the river barges activity

1853
Starting of the river barges activity on the river Seine

1898
Creation of TOUAX following the merger with another major company

1906
Listed on the Paris Stock Exchange

Successful diversification in three business sectors based on equipment leasing

1955
Initial investments in the **Railcars activity**

1973
Launch of the **Modular Buildings activity**

1985
Purchase of **Gold Container** Corporation, Shipping Containers activity

A WORLD

CLOSE TO OUR CLIENTS

Shipping containers

Europe/Africa region
(Bremen, Genoa, administrative office in Paris)
Northern Asia region
(Hong Kong, Shanghai)
Southern Asia region
(Singapore)
Americas region
(Miami, San Francisco and Sao Paulo)
Agents:
South Africa (Durban),
Australia (Melbourne),
South Korea (Seoul),
Japan (Tokyo),
Taiwan (Taipei)

Modular buildings

France
(8 branches, and administrative office)
Germany (7 branches)
Spain (1 branch)
United States (Florida and Georgia) (4 branches)
Netherlands and Belgium
(2 branches)
Poland (5 branches)
Czech Republic (2 branches, 1 factory)
Slovakia (1 branch)
Morocco (1 branch, 1 factory)
Panama (1 branch)
Algeria (1 branch)
Brazil
Ivory Coast

Freight railcars

France
(Technical office)
Western Europe region
(Ireland): France, Switzerland, and United Kingdom
Agents:
Germany, Hungary, Italy, Slovakia, Croatia, Austria, Poland, Netherland, Belgium, Luxembourg, Denmark, Norway, Sweden, Turkey, Czech republic, Romania
North America region
(United States)

River barges

Rivers Seine and Rhône
(France)
Rivers Rhine, Main, Meuse, and Moselle
(Northern Europe)
River Danube
(Central Europe)
River Mississippi
(United States)
River Paraná-Paraguay
(South America)

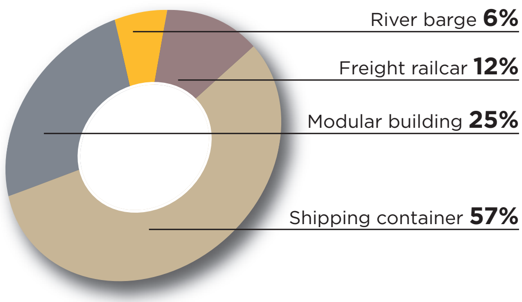
Acceleration of TOUAX's development over the past 15 years

1995	1998	2005	2006	2007	2008	2010	2012	2014
Starting of the asset management for investors	Group is jointly managed by Fabrice & Raphaël Walewski	Revenue exceeds **200 million euros**	100 years as a listed company with consecutive years of dividends	TOUAX begins producing modular buildings in two plants	• Group managed assets exceed 1 billion, for its own account and third party • TOUAX appears in the SBF 250 index	Revenue exceeds **€300 million**	Expansion of the Group in the African continent	Group managed assets exceed **1 billion** for third party investors

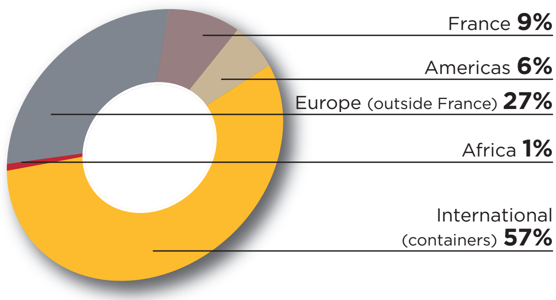
WIDE presence

KEY FIGURES

Breakdown of revenues by activity
at 31 December 2014

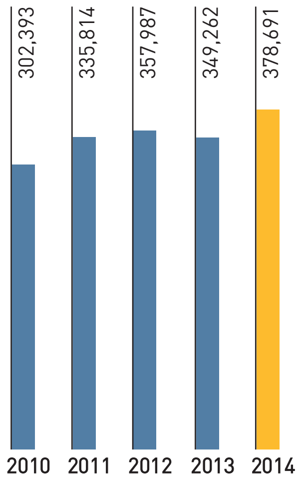


Geographic distribution of revenues
at 31 December 2014

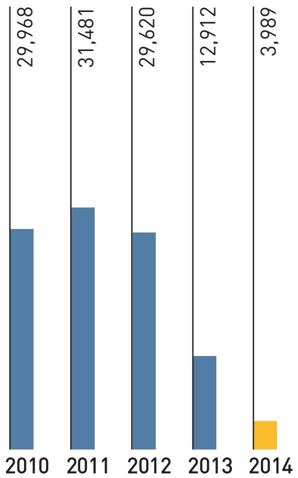


Geographic sectors correspond to areas where the Group is present, except for the shipping containers activity which reflects the international nature of the assets.

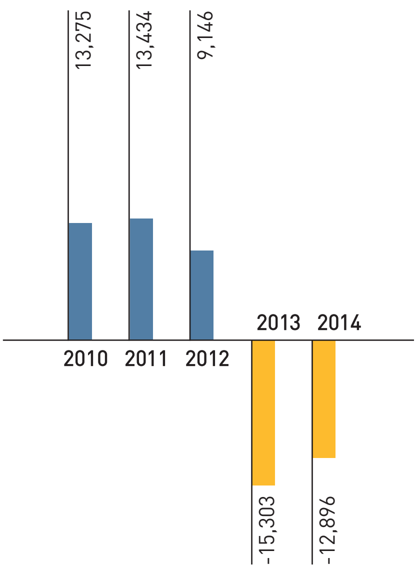
Consolidated revenues
(€ thousands)



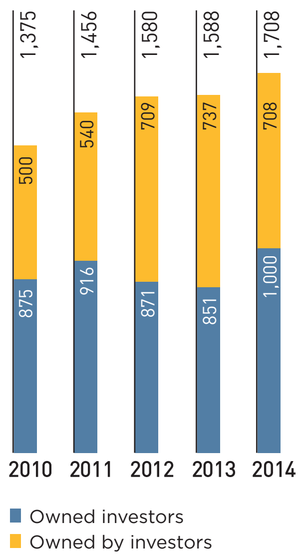
Consolidated current operating income
(€ thousands)



Consolidated net income - Group share
(€ thousands)



Breakdown of managed assets
(€ thousands)



Almost half the assets managed are valued in US dollars. As a result, the dollar's appreciation triggers a, increase in the euro value of the assets under management.

A strategy of creating value for all four divisions

1. Diversification of its activities

TOUAX specializes in the operational leasing and sale of shipping containers, modular buildings, freight railcars, and river barges. This equipment provides similar yet complimentary benefits:

- **Mobility** for improved utilization rates,
- **Steady revenue streams** generated by term-based contracts ensuring a good visibility,
- **Standardized, long-life assets** (15-50 years) for maximizing equipment transfer prices.

These activities are positioned in a market with strong growth drivers: the growth of globalized trade boosts the leasing of shipping containers; Europe's deregulated rail freight market favors freight railcar leasing; the need for flexibility and competitive costs gives modular buildings the edge over traditional construction; and environmental concerns are fostering river transport.

2. Weighting our equity investments

Our equity investment policy generates recurring leasing revenues and ultimately adds value to the Group by creating opportunities for capital gains.

TOUAX weights its equity investments between equipment featuring a shorter lifecycle (particularly modular buildings and shipping containers) and very long-life business assets (railcars and river barges).

3. Streamlining our financial resources thanks to third-party asset management

TOUAX provides asset management services for third-party investors and receives management commissions in addition to revenue from our own assets. Third party investments produce additional revenue streams and improve the profitability of our equity without tying up capital.

These are long-term management contracts (averaging 10 years) which ensure recurring cash flows for the Group.

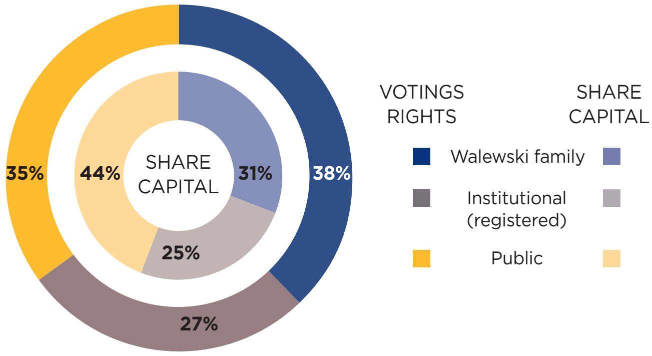
4. The Group's capacity to develop and adapt to its environment

In each of its business lines, TOUAX listens to its customers and closely watches markets in order to continually develop and improve our products and services. Over the past five years, each of our divisions has bolstered its competencies and expanded both its business lines and services, thereby earning recognition as a key player in its field.

The Group is pursuing its international growth strategy in the emerging countries in order to diversify its risks, increase market shares and generate economies of scale.

Touax and the STOCK MARKET

Distribution of capital and voting rights on December 31, 2014

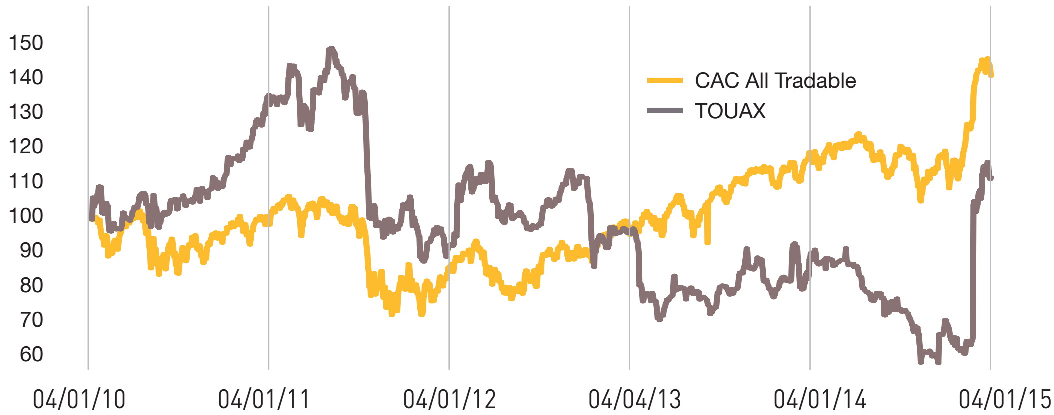


TOUAX data sheet

ISIN code : FR0000033003
Mnemonic code : TOUPFP
Listed on NYSE Euronext (Paris)
Indices : CAC® Small and CAC® Mid & Small
EnterNext©PEA-PME 150

Share price performance over 5 years

(rebased to 100 at January 4, 2010)



Source: Euronext

Share price data	2014	2013	2012
Maximum share price (€)	21.03	21.45	26.15
Minimum share price (€)	13.51	15.71	19.19
Price at December 31 (€)	14.7	18.94	21.71
Share price performance	-22.39%	-10.78%	-0.4%
CAC 40 performance	-0.5%	18%	15%
Total number of share at December 31	5,883,773	5,883,773	5,740,267
Market capitalization at December 31 (1)	86.49	111.44	124.62
Number of shares traded	730,909	1,041,020	941,405
Capital traded (1)	13.04	21.83	21.59

(1) euro millions

Share price ratios	2014	2013	2012
Net earning per share	-2.19	-2.63	1.6
P/E ratio	-	-	13,57
Net dividend per share	0.5*	0.5	1
Total return on the share	3.4%	2.6%	4.6%

** an interim dividend of 0.5€ has been distributed in January 2015, no complementary dividend is proposed to the annual shareholders' meeting to be held on 11 June 2015*

SHAREHOLDERS' AGENDA

May 14, 2015
Announcement of Q1 2015 revenues

June 11, 2015
General Sharehol-ders' Meeting

August 31, 2015
Announcement of Q2 2015 revenues and of H1 2015 results

November 13, 2015
Announcement of Q3 2015 revenues

February 24, 2016
Announcement of Q4 2015 revenues

March 31, 2016
Announcement and presentation of the Group's 2015 results

CONTENTS

1. PERSONS RESPONSIBLE

1.1. PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE REFERENCE DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Fabrice and Raphaël WALEWSKI, Managing Partners

1.2. DECLARATION OF THE PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

“We confirm that we have taken every reasonable measure to ensure that, to the best of our knowledge, the information in this reference document gives a true and fair view and does not contain any omission likely to change the scope thereof.

We confirm to the best of our knowledge that the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the Group as well as all consolidated companies, and the management report in section 26.1 page 123 herein presents a true and fair view of the development and performance of the business, profit or loss and financial position of the Group and all consolidated companies, together with a description of the principal risks and uncertainties that it faces.

We have received the auditors’ consent letter, in which they confirm that they have checked the information relating to the financial position and the accounts provided in this document and that they have read all the information herein.

The consolidated historical financial information for the year ending December 31, 2014 is described in the auditors' reports, appearing on page 116 of this document, as well as those incorporated as a reference for the 2013 and 2012 fiscal years. »

March 23, 2015

Fabrice WALEWSKI

Managing Partner

2. STATUTORY AUDITORS

2.1. STATUTORY AUDITORS DETAILS

	Date of first appointment	Mandate expiry
Principal Statutory Auditors		
DELOITTE & Associés Represented by M. Alain Penanguer 185, Avenue Charles de Gaulle - 92200 Neuilly sur Seine	June 6, 2000 renewed during the Ordinary General Meeting held June 27, 2011	Following the Ordinary General Meeting held in 2017 to approve the 2016 financial statements.
LNA Represented by M. Charles Leguide 140 boulevard Haussmann - 75008 Paris	July 29, 1986 renewed during the Ordinary General Meeting held June 10, 2010	Following the Ordinary General Meeting held in 2016 to approve the 2015 financial statements.
Substitute Statutory Auditors		
B.E.A.S. 7-9 Villa Houssay - 92200 Neuilly sur Seine	June 6, 2000 renewed during the Ordinary General Meeting held June 27, 2011	Following the Ordinary General Meeting held in 2017 to approve the 2016 financial statements.
Thierry Saint-Bonnet 145, rue Raymond Losserand 75014 Paris	Ordinary General Meeting held June 10, 2010	Following the Ordinary General Meeting held in 2016 to approve the 2015 financial statements.

2.2. CHANGE IN STATUTORY AUDITORS

Not applicable

3. SELECTED FINANCIAL INFORMATION

3.1. SELECTED HISTORICAL FINANCIAL INFORMATION

Key figures of the consolidated income statement

(€ thousands)	**2014**	2013	2012
Leasing revenue	206 189	206 104	219 034
Sales of equipment	172 502	143 158	138 952
Revenue	378 691	349 262	357 986
EBITDAR (EBITDA before distribution to investors) (1)	94 948	102 487	118 266
EBITDA (EBITDA after distribution to investors) (1)	40 002	50 861	61 777
Current operating income	4 123	7 349	29 042
Consolidated net profit/(loss), Group's share	(12 896)	(15 303)	9 146
Net earnings per share (€)	-2,19	-2,63	1,60

(1) The EBITDA represents the operating income restated to include depreciation and provisions for fixed assets

Key figures of the consolidated balance sheet

(€ thousands)	**2014**	2013	2012
Total assets	724 560	744 568	776 135
Gross tangible assets (1)	683 882	681 675	649 708
ROI (2)	5,85%	7,46%	9,51%
Total non-current assets	542 007	562 836	563 769
Shareholders' equity - Group's share	162 646	156 856	148 978
Consolidated shareholder's equity	184 555	184 405	173 013
Minority interests	21 909	27 549	24 035
Gross debt	439 106	453 589	491 783
Net debt (3)	358 020	399 565	432 639
Dividend paid per share (€)	0,5	0,5	1

(1) The gross tangible assets do not include the value of capital gains on internal disposals.

(2) Return on Investment: represents the EBITDA divided by the gross tangible assets.

(3) The net debt is the gross debt after deducting cash assets

Note that no significant changes have occurred in the Group's financial position and business status since the end of the last financial year.

The selected historical financial information is supplemented by the management report in section 26.1 page 123.

3.2. SELECTED FINANCIAL INFORMATION FOR INTERMEDIATE PERIODS

Not applicable

4. RISK FACTORS

TOUAX has reviewed the risks which might have a significant negative impact on its business, its financial position, its profit or loss, or its ability to achieve its objectives, and considers that, to the best of its knowledge, there are no other significant risks besides those presented. However, any of these risks, or other risks which TOUAX has not yet identified or considers to be insignificant, could have an adverse effect on the business, financial position, earnings and prospects of TOUAX, or on its share price.

4.1. LEGAL AND REGULATORY RISKS

4.1.1. We are exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate

As a result of doing business internationally, we, our partners and our competitors must comply with certain anti-corruption laws, sanction laws or other similar regulations. For example, the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010 and other similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purposes of obtaining or retaining business. We operate in certain parts of the world that lack a developed legal system or that have experienced widespread corruption. Our internal policies mandate compliance with applicable laws, but despite our compliance policies, we cannot assure you that our internal control policies and procedures will always protect us from isolated acts committed by our employees.

Further, due to the global nature of our operations, we may use local employees, agents or subcontractors to understand unfamiliar environments and differences in cultural, legal, financial and accounting complexities and obligations, or to carry out a portion of the activities called for by a particular contract. There is a risk that such employees, agents or subcontractors may be involved in illegitimate activities in local markets that are unknown to us. If we fail to adequately supervise them or maintain an adequate compliance program, we may be liable for their actions.

Violations of such laws can result in civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. On the other hand, any such violation by our competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences that we may suffer due to the foregoing could have a material adverse effect on our reputation, business, financial condition and results of operations.

4.1.2. Zoning laws may restrict the use of temporary buildings and therefore may limit our ability to offer all of our modular building products in all of our markets

Our Modular Buildings division is subject to similar zoning laws as the traditional permanent construction business. Zoning laws may restrict the use of our modular buildings or require significant modifications and therefore limit our ability to offer our products in all markets. Furthermore, local zoning laws and temporary planning permission regulations in some of our markets do not allow some of our customers to construct additional units on their property, such as storage units, or may limit the type of products they may use or how long these new units can remain at their locations. If local zoning laws or planning permission regulations in one or more of our markets no longer allow the construction of additional units to be on customers' sites, our business in that market will suffer and this could have a material adverse effect on our operating results, financial condition and cash flows.

4.1.3. Our River Barges division is subject to the Jones Act

Our River Barges division competes principally in markets subject to the Jones Act, a U.S. federal cabotage law that allows domestic marine transportation in the United States only to vessels built and registered in the United States, and manned and owned by United States citizens. We believe we comply with the requirements of the Jones Act. However, a change in interpretation of the Jones Act or a change in cabotage law could have a significant adverse effect on our River Barges division in the United States. The requirements that our vessels be United States built and manned by United States citizens, the crewing requirements and material requirements of the United States Coast Guard, as well as the application of United States labor and tax laws, increase the cost of United States flag vessels when compared with comparable foreign flag vessels.

4.1.4. Proven risks which may or may not be due to non-compliance with a contractual commitment – disputes

Should the company be involved in a dispute, a provision is made in the accounts when a charge is likely in accordance with Paragraph 3 of Article L 123-20 of French commercial law. In addition it should be noted that no dispute or arbitration that has not been mentioned is likely to have at present, and has not had in the recent past, a significant impact on the Group's financial position, business or income, or on the Group itself.

There are no significant disputes or arbitration other than those mentioned in the following paragraphs, as well as in section 20.8 page 118.

- **Modular Buildings**

To date, no significant dispute has been reported for the Modular Building business, with the exception of a dispute with a Czech subcontractor over compliance with contractual provisions. Amounts cannot be disclosed for reasons of confidentiality. The second hearing of the dispute is under way, and the date of the speech for the defense should be decided shortly.

- **River Barges**

In the case of a dispute with the company that repaired barges damaged during transport from China to Europe, TOUAX was sentenced by the court of arbitration to compensate this supplier.

Due to the embargo following the war in Kosovo and the bombing of the bridges over the Danube, the Group suffered significant damage in Romania. The Group is currently filing a claim to seek damages for the losses incurred. The amounts claimed cannot be disclosed for reasons of confidentiality. TOUAX took its case to the final court of appeal following the unfavorable ruling of the Court of Appeal of Brussels and is expecting the decision.

- **Freight Railcars**

To date, provision has been made for all significant disputes for the Freight Railcar business.

4.1.5. Litigation to enforce our leases and recover our equipment has inherent uncertainties that are increased by the location of our equipment in jurisdictions that have less developed legal systems

Our ability to enforce lessees' obligations will be subject to applicable laws in the jurisdiction in which enforcement is sought. As our shipping containers and river barges are predominantly located on international waterways, it is impossible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions in which laws do not confer the same security interests and rights to creditors and lessors as those in the European Union and the United States, and in jurisdictions where recovery of containers from defaulting lessees is more cumbersome. As a result, the relative success and expedience of enforcement proceedings with respect to shipping containers and river barges in various jurisdictions cannot be predicted. Inability to enforce our lessees' obligations could materially adversely affect our business, operating results, financial condition and cash flows.

4.2. Geopolitical and global economic risks

4.2.1. Any deceleration or reversal of the global economic recovery may materially and negatively impact our business

Our financial performance depends on the level of demand for the assets we lease, which is equally dependent on the underlying markets for our customers' products and services and the strength and growth of their businesses. Some of our customers operate in cyclical end-markets, such as the steel, chemical, agricultural and construction industries, which are susceptible to macroeconomic downturns and may experience significant changes in demand over time. We may not be able to predict the timing, extent or duration of the activity cycles in the markets in which we or our key customers operate. Each of these sectors is influenced by the state of the general global economy as well as by a number of more specific factors. A decline or slowed growth in any of these sectors in the markets or geographic regions where we operate and in other parts of the world may make it more difficult for us to lease certain of our products that are either returned at the end of a lease term or returned as a result of a customer bankruptcy or default, which may materially adversely affect our business, results of operations and financial condition.

Demand for shipping containers, freight railcars and river barges is linked to changes in cargo and freight shipping traffic and total transport traffic. Fluctuations depend on the level of global economic growth and of international trade. Economic downturns in one or more countries or regions, particularly in Europe, the United States, China and other consumer-oriented economies, could result in a reduction in world trade growth and in the demand of our shipping containers, freight railcars and river barges. In addition, most of the third-party investor programs into which we sell leased equipment portfolios (in particular shipping containers and freight railcars) employ a certain amount of debt in order to increase investor equity returns. Tighter credit markets make it more difficult for third-party investors to access financing for future investment programs, which increases syndication risk and the probabilities that we may not be able to sell containers to investor programs in the future. Failure to find investors to finance our equipment could have a material adverse effect on our revenue, net income and cash flows, which would limit the level of growth in our operating fleet that we might otherwise be able to attain.

Our Modular Buildings division caters primarily to European customers. In 2014, the economic situation in Europe was at a low ebb with weak economic growth in the countries in which we were present. All of the sectors we targeted experienced difficulties, and customers limited their budgets or deferred their investments. This resulted in a fall in leasing prices and utilization rates. The slow recovery of the market in Europe has also slowed rises in prices and utilization rates in the Freight Railcar division and in the River Barges leasing business, which has had repercussions on operating margins. If these economic conditions persist they could materially and negatively impact our business, results of operations, cash flows and financial condition.

4.2.2. The international nature of the industries where we operate exposes us to numerous risks

For the year ended December 31, 2014, we generated 91.1% of our revenue outside France through business activities in approximately 40 countries and on five continents. In recent years, we have increased our focus on growth and expansion into certain emerging markets as a means to grow and diversify earnings. As a result, our foreign operations and international expansion strategy are subject to the numerous risks associated with international operations

For instance, we are subject to rapidly evolving and complex laws and regulations which govern, among other things, labor matters, health and safety, financial reporting standards, corporate governance, tax, trade regulations, export controls, and competitive practices in each jurisdiction where we conduct our business. We are also required to obtain permits and other authorizations or licenses from governmental authorities for certain of our operations and must protect our intellectual property worldwide. Furthermore, we need to comply with various local standards and practices of different regulatory, tax, judicial and administrative bodies, specific to each jurisdiction in which we operate.

There are multiple risks associated with the global nature of our operations, including political and economic instability, geopolitical regional conflicts, terrorist attacks, threat of war, political unrest, civil strife, acts of war, public corruption, epidemics and pandemics, as well as other economic or political uncertainties which could interrupt and negatively affect our business operations. Depending upon the severity, scope, and duration of these conditions or events, the adverse impact on our financial position, results of operations, and cash flows could be material. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following specific business risks:

- negative economic developments in economies around the world;
- sudden changes in foreign currency exchange controls;
- discriminatory or conflicting tax policies;
- epidemics and pandemics, which may adversely affect our workforce and suppliers, and affect international transportation;
- adverse changes in governmental policies, especially those affecting trade and investment;
- legislation or regulatory action directed toward improving the security of shipping containers, freight railcars and river barges against acts of terrorism, which could affect the construction or operation of our assets, as well as liability or losses resulting from acts of terrorism involving our assets;
- inflation, recession, fluctuations in foreign currency exchange and interest rates, burdensome fiscal policies and transfer restrictions;
- threats that our operations or property could be subject to nationalization and expropriation;
- difficulties enforcing contractual rights or foreclosing to obtain the return of our assets in certain jurisdictions;
- uncollectible accounts and longer collection cycles that may be more prevalent in foreign countries;
- ineffective or delayed implementation of appropriate controls, policies, and processes across our diverse operations and employee base; and
- nationalization of properties by foreign governments, and imposition of additional or new tariffs, quotas, trade barriers, and similar restrictions on our international operations.

We may not be in full compliance at all times with the laws and regulations to which we are subject. Likewise, we may not have obtained or may not be able to obtain the permits and other authorizations or licenses that we need. We are also reliant on local managers to oversee the day-to-day functioning of our sites and to ensure their compliance with local laws, and may be subject to risk based on insufficient oversight. In such cases, or if any of these international business risks were to materialize or exacerbate, we could be fined or otherwise sanctioned by regulators, which could adversely affect our business, financial condition and results of operations.

4.2.3. We face dynamic competitive landscapes marked by intense competition from a variety of competitors

We operate in a highly competitive business environment. In many cases, our competitors are larger than we are, have greater market shares and have greater marketing and financial resources, less indebtedness, greater pricing flexibility, better credit ratings and a lower cost of capital. These factors may enable our competitors to offer equipment to customers at lower leasing rates or prices than we can provide.

We face varying competitive landscapes in each of our divisions. Generally speaking, the shipping container, freight railcar and river barge leasing industries are relatively concentrated, and competition is based on particularly aggressive pricing strategies as well as the ability to provide customers with equipment where they need it most, such as busy ports or rail hubs. If the distribution of our leased assets is not aligned with local demand, we may be unable to take advantage of sales and leasing opportunities despite excess inventory in other regions. Pressure on prices from competitors can force us to reduce our prices and consequently our margins. This is particularly the case in our Shipping Containers division where customers make their decisions mainly based on the rates offered by us and our competitors, and in the Freight Railcars division, where lessors eager to reduce their overcapacity are willing to lower prices to increase fleet utilization rates. Price competition in our Shipping Containers, Freight Railcars and River Barges leasing businesses, together with other forms of competition, may materially adversely affect our business, results of operations and financial condition.

The modular building sector, on the other hand, is mostly fragmented with only a few large worldwide leaders such as Algeco Scotsman. We compete with such large international companies or with smaller regional and local players who have established market positions in the markets that they address. We expect to encounter similar competition in any new markets that we may enter. In the modular building sector, we compete on the basis of a broader range of factors, including price, equipment availability, quality, service, reliability, appearance, functionality and delivery terms.

Our failure to keep up with competition to win new market share or provide products and services at prices that appeal to our existing customer base would negatively impact our profitability, asset utilization rates and would make it more difficult for us to attract asset management investors, which would have an adverse effect on our business, financial condition, results of operations and cash flows.

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

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

U.S., which affected demand for leased containers. In addition, terrorist attacks, threats of terrorism, violence, war or hostilities may directly impact ports, railways, depots, our facilities or those of our suppliers or lessees and could impact our sales and our supply chain. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade and lower demand for our containers. Any terror-related disruption to railways or river navigation would also have a negative impact on demand for our services.

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

4.3. BUSINESS RISKS

4.3.1. We are dependent on the level of demand from our customers to lease or buy our equipment

We are reliant on customer demand for the shipping containers, modular buildings, freight railcars and river barges that we lease and/or sell. Customer demand for our products and services is subject to change based on numerous factors, including factors that are beyond our control, such as changes in harvest or production volumes, changes in supply chains, choices in types of transportation assets, availability of substitutes, and other operational needs.

Cash flows generated from our equipment, which are principally derived from lease rentals, management fees and proceeds from the sale of our owned equipment, are affected significantly by our ability to collect payments under leases and other arrangements for the use of our equipment and our ability to replace cash flows from terminating leases by re-leasing or selling equipment on favorable terms. When we purchase newly manufactured equipment, we typically lease it out under long-term leases (typically between three to five years for shipping containers, between two to 10 years for each of freight railcars and river barges and between 12 to 24 months for modular buildings), at a lease rate that is correlated to the price paid for the asset. As these assets are not initially leased out for their full economic life, we face risks associated with re-leasing them after their initial long-term lease at a rate that continues to provide a reasonable economic return based on the initial purchase price of the asset. If prevailing asset lease rates decline significantly between the time the asset is initially leased out and when its initial long-term lease expires, or if overall demand for these assets declines, we may be unable to derive the expected return on our investment in our equipment through the re-leasing of equipment when the initial long-term lease on such equipment expires.

Other general factors affecting demand for equipment, including the utilization rates of our rental fleet, include the following:

- available supply and prices of new and used equipment;
- economic conditions and competitive pressures in the freight transport industry;
- shifting trends and patterns of cargo traffic;
- the availability and terms of equipment financing;
- fluctuations in interest rates and foreign currency values;
- overcapacity or undercapacity of equipment manufacturers;
- the lead times required to purchase equipment, which may vary significantly and affect our ability to meet customer demand;
- the amount of equipment purchased by our competitors and equipment lessees own themselves;
- equipment fleet overcapacity or undercapacity;
- the choice of a shipping company or logistics company to reposition its unused containers or railcars to higher-demand locations in lieu of leasing containers or railcars to meet demand;
- consolidation or withdrawal of individual equipment lessees in the container shipping, freight railcars and river barges industry, as well as the modular buildings industry; and
- natural disasters that are severe enough to affect local and global economies.

In our Shipping Containers, Freight Railcar and River Barges divisions, where we derive the majority of our business from equipment leasing, our business model can be affected by a customer's decision to lease equipment rather than to buy it outright. A customer's decision to lease or buy assets can be affected by a variety of factors, such as tax and accounting considerations, prevailing interest rates and the customer's capital expenditure and other financial or operational flexibility.

All of these factors are inherently unpredictable and beyond our control. These factors vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business, financial condition, results of operations and cash flows.

4.3.2. If, due to a misjudgment of demand for our rental equipment or a cancellation of a customer contract, we are unable to lease or sell new equipment shortly after we purchase it

We purchase new equipment in the ordinary course of business to replace aging assets. In addition, in our Shipping Containers division in particular, we purchase new equipment for our rental fleet to meet expected increases in customer demand. Because of the dynamics of the shipping container industry and the relatively short lead time with which customers expect to be able to take delivery of a container once they have signed a lease agreement, we seek to have a supply of new containers available for immediate leasing on demand. We monitor the price of containers in order to purchase new containers opportunistically when prices are low. The price of containers depends largely on the price of steel, which is the major component used in their manufacture. The price at which we lease our containers is strongly correlated with the price at which we have purchased the containers, in order to optimize the return on our investment. The lead time between the moment we place our purchase order for new equipment with a manufacturer and when we receive such equipment depends on numerous factors beyond our control. If, in the interim, prices further weaken and customers are able to source containers at lower prices, either through purchasing them outright or leasing them from one of our competitors at a lower price, we may not be able to lease the containers that we have reserved for future demand at a price that will enable us to achieve anticipated returns. Such a decline in new container prices or leasing rates, or our inability to lease our reserved containers could harm our business, results of operations and financial condition.

In contrast with our Shipping Containers division, we generally do not purchase non-replacement new equipment for use in our Modular Buildings, Freight Railcar and River Barges divisions unless we have signed a lease agreement with a customer or, in the Modular Buildings division, a purchase agreement, as the case may be. It is market practice in these businesses for there to be a longer lead time between the signing of a lease or purchase agreement and the delivery of equipment. Despite this sourcing policy, we are nevertheless still at risk of having excess new inventory if a customer rescinds its agreement after we have made an irrevocable order for the new equipment or have taken delivery of such equipment. Furthermore, if market practices change and our customers demand significantly shorter lead times for the procurement of new material, we may have to change our sourcing policy and invest in new equipment without having a back-to-back lease or purchase agreements signed in anticipation of such investment. A mismatch between our equipment supply and demand that causes an increase in our unleased inventory could harm our business, results of operations and financial condition.

4.3.3. We may incur significant expense in connection with underutilized equipment in stock, including storage costs, and we may not be able to cost effectively maintain such equipment to meet demand

In the ordinary course of business of each of our four divisions, a portion of our equipment fleet is unutilized at any given moment. If we are unable to lease or sell equipment in a timely fashion, the size of our unused fleet may increase, resulting in the incurrence of storage and maintenance costs that are significant and may not be able to be passed through to our customers through higher rents or sales prices. If such equipment remains unused for an extended period of time, it could fall into disrepair and/or any certificate or authorization required to operate such equipment could expire or be revoked. The result of either of those events would be the partial or total loss of such equipment's residual value. If demand picks up for a particular asset class and we are unable to mobilize the equipment we have in stock in a timely fashion or if we are forced to write off all or a part of our inventory, we may lose market share to our competitors who are able to meet customers' needs more rapidly. The occurrence of any of these events could adversely affect our business, financial condition, results of operations and cash flows.

4.3.4. The disruption of our supply chain could result in higher prices for new equipment and/or a decreased supply of new equipment

With the exception of our Modular Buildings division (for which we manufacture most of our equipment), our business largely depends on equipment that we buy from third-party manufacturers and suppliers. There is a limited number of third-party suppliers for some of our products and we may be unable to procure new equipment sufficiently rapidly to meet demand if the supply chain is interrupted.

Our Shipping Containers division relies entirely on our ability to purchase containers from manufacturers. We estimate that three major manufacturers in China control over 80% of worldwide shipping container production, as of 2007. We currently purchase almost all of our new containers from these major manufacturers. If it were to become more expensive for us to procure containers in China or to transport these containers from such manufacturers to the locations where they are needed by our container lessees, due to factors such as changes in exchange rates between the Euro or the U.S. dollar and the Chinese Yuan, increased tariffs imposed by the European Union or other governments, increased fuel costs or increased labor costs, we may have to seek alternative sources of supply. We may not be able to make alternative arrangements quickly enough to meet our container needs, and the alternative arrangements may increase our costs.

We are also wholly reliant on third-party manufacturers for our Freight Railcars division and our River Barges division. If for any reason we are unable to acquire such equipment from manufacturers on competitive terms or in the quantities required, it could impact our ability to expand our fleet, which could harm our business, results of operations and financial condition. We believe our Freight Railcars division is especially susceptible to this risk. In the wake of the economic slowdown at the end of the last decade, several manufacturers of railcars were forced to go out of business, to consolidate or chose to leave certain markets entirely, including International Railway Systems, Astra Rail Industries and Trinity Industries. As a result, we believe that there exists significant undercapacity for new railcar production. If demand for new railcars were to increase, significant supply shortages may result.

We are less susceptible to the risk of disruptions of supply of pre-fabricated equipment in our Modular Buildings division, as our plants produce a large portion of the equipment that we lease and sell. However, we do rely on third-party manufacturers from time to time to serve certain markets where we either do not have the capacity or it is not cost efficient to manufacture equipment ourselves. In addition, as a manufacturer, our production of modular buildings may slow down or be interrupted if a supplier of raw materials, intermediate products or spare parts encounters financial or technical difficulties. We are particularly reliant on steel, which is the primary raw material used in the construction of our modular buildings. A disruption in the global steel supply could have a material adverse effect on our ability to construct our modular buildings.

Any of the above disruptions in supply could result in equipment shortages, higher supply costs and our inability to meet customer demand in a timely fashion, which could harm our business, results of operations and financial condition.

4.3.5. Consolidation among equipment manufacturers may make it difficult for us to negotiate favorable terms for our procurement and supply needs

There has been considerable consolidation among manufacturers of mobile equipment, particularly in the shipping container manufacturing industry. Consolidation among manufacturers may weaken our bargaining position and reduce any economies of scale we might try to realize as a bulk purchaser of mobile equipment. We may not be able to negotiate arrangements with third-party suppliers to secure products that we require in sufficient quantities or on reasonable terms. These risks are compounded during economic downturns as our suppliers may experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations, and therefore may not be able to provide us with the contracted supplies. On the other hand, during favorable economic cycles, it may be difficult to purchase equipment timely due to high demand or pressure on prices/higher prices. If we cannot negotiate arrangements with third-party suppliers to produce our products or if our suppliers fail to produce our products to our specifications or in a timely manner, our reputation, business, results of operations and financial condition could be harmed.

4.3.6. Lease prices for our equipment are closely correlated to purchase prices of new equipment and therefore, sustained reduction in the purchase prices of new equipment could harm our business

If there is a sustained decrease in new equipment purchase prices, like the one currently being experienced for shipping containers, the lease rates for older, off-lease equipment would also be expected to decrease and the prices obtained for equipment sold at the end of its useful life would also be expected to decrease. Per diem leasing rates in the shipping container leasing industry have generally followed a downward trend in past years, linked primarily to a decline in steel prices and a resulting decline in the purchase price of new shipping containers. In addition, lower interest rates may make it more attractive for companies to buy equipment rather than lease it. We cannot predict whether this trend will continue in the near-term. If there is a sustained reduction in the purchase price of new equipment such that the market lease rate or resale value for all equipment is reduced, this trend could harm our business, results of operations and financial condition, even if this sustained reduction in price would allow us to purchase new equipment at a lower cost.

4.3.7. We are exposed to risks related to the concentration of our customers

We lease and sell our mobile equipment to a wide range of customers in different industrial and geographical end-markets. We generate revenue through lease agreements and services rendered in connection with those leases, as well as through the sale of new and used equipment. For the year ended December 31, 2014, our leasing revenue accounted for 54.4% of our total revenue, while the remaining 45.6% of our total revenue was generated through the sales of equipment.

For the year ended December 31, 2014, the five largest customers of each of our Shipping Containers, Modular Buildings, Freight Railcars and River Barges leasing businesses, excluding third-party investors, accounted for approximately 59%, 10%, 44% and 61%, respectively, of our total leasing revenue. Our dependence on our key customers may increase, and any loss of, or a significant reduction in, business from such customers, or any variation, termination, scope reduction or adjustment of any of our long-term leases, could have an adverse effect on our business, financial condition, and results of operations.

Furthermore, concentration in our customer base increases our exposure to counterparty risk, in particular in our leasing business. Lessees are required to pay rent and indemnify us for damage to or loss of equipment. However, lessees may default in paying rent and performing other obligations under their leases and customer default risk is ultimately borne by the equipment owners. If a lessee defaults, we may fail to recover all of our equipment and the equipment we do recover may be returned to locations where we will not be able to quickly re-lease or sell it on commercially acceptable terms and, as a result, we will incur in repositioning costs. A lessee’s likelihood of default is subject to external economic conditions and other factors that are beyond our control. A delay or diminution in amounts received under our leases, or a default in the performance of maintenance or other lessee obligations under the leases could adversely affect our business, financial condition, results of operations and cash flows.

4.3.8. Our Shipping Containers and Freight Railcars customers may choose to own their equipment rather than lease it

Our Shipping Containers and Freight Railcars division are primarily based on our activity as a lessor of equipment to shipping companies and railway and logistics companies, respectively. These customers tend to have sizeable fleets of equipment that they own themselves, which limits the potential we have to lease our products to them. We believe that there is a trend towards increased leasing in both the maritime shipping and rail freight industries, but we cannot assure you that this trend will continue. A decrease in the marginal cost of shipping containers or freight rail cars, which could be caused by oversupply by manufacturers or a drop in the price of steel, which is the primary raw material used in container and railcar construction, would make it less costly for companies to own such equipment outright and may incite them to prefer ownership rather than leasing. Further, consolidation of our customers in these divisions could create economies of scale and efficiencies which would make it more attractive for them to buy equipment or to vertically integrate and manufacture equipment themselves. The decrease in demand for our products and services resulting from the substitution of ownership for leasing in these markets would have an adverse impact on our business, results of operation and financial condition.

4.3.9. Gains and losses associated with the disposition or trading of used equipment may fluctuate

In addition to our purchase of new equipment, we also purchase used containers for resale from our shipping line customers and other sellers. If the supply of equipment becomes limited because these sellers develop other means for disposing of their equipment, develop their own sales network or simply continue using such equipment for a longer period of time, we may not be able to purchase the inventory necessary to meet our goals, and our sales of equipment revenue and our profitability could be negatively impacted.

We regularly sell used, older containers upon lease expiration. The residual value of these containers therefore affects our profitability. The volatility of the residual value of containers may be significant. This value depends upon factors that are beyond our control such as raw steel prices, applicable maintenance standards, refurbishment needs, comparable new container costs, used container availability, used container demand, inflation rates, market conditions, materials and labor costs and container obsolescence and damages.

Containers are typically sold after taking into consideration earnings prospects, book value, remaining useful life, repair condition, suitability for leasing or other uses and the prevailing local sales price for containers. Gains or losses on the disposition of used containers and the commissions earned on the disposition of managed containers may fluctuate significantly, and these fluctuations could have a significant impact on our business if we sell large quantities of used containers.

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- the market price for new equipment of a like kind;
- the age of the equipment at the time it is sold, as well as wear and tear on the equipment relative to its age;
- the supply of used equipment on the market;
- technological advances relating to the equipment;
- worldwide and domestic demand for used equipment; and
- general economic conditions.

We include in our revenue the sales price of equipment sold, as well as the difference between the sales price and the depreciated value of an item of equipment sold. Changes in depreciation policies could change our depreciation expense, as well as the gain or loss realized upon disposal of equipment. For instance, during the year ended December 31, 2013, we changed our accounting method for the depreciation of our shipping containers by decreasing the number of years over which the assets are depreciated from 15 to 13 years, thereby increasing their residual value. Sales of used rental equipment at prices that are significantly below our projections or in lesser quantities than we anticipate, will have a negative impact on our revenue, results of operations and cash flows.

4.3.10. Our public sector contracts may be affected by political and administrative decisions

We derive a significant portion of our revenue from sales and leases to governmental entities, quasi-governmental organizations and state-owned businesses, especially in our Modular Buildings division. Some of our key public sector customers include various French regional public authorities, the French Ministry of Defense, the city governments of Berlin and Hamburg in Germany, as well as the Warsaw Chopin Airport in Poland, among others. For example, for the year ended December 31, 2014, 12.0%, 30.0% and 3.8% of our revenue in France, Germany and Poland, respectively, was generated through contracts with the public sector.

Contracting with local, regional or national governmental authorities or quasi-public entities can be highly regulated and subject to strict rules and procedures are subject to change. Demand for leasing or purchase of modular buildings by local authorities mainly relates to classrooms, day-care centers, hospital extensions or emergency housing. Business generated from public or quasi-public entities may be affected by political and administrative decisions concerning levels of public spending or changes in governments and their economic policies. This risk is even more elevated in countries in emerging markets, where political decisions may be more difficult to predict. Decisions to decrease public spending may result in the termination or downscaling of public sector contracts, which may adversely affect our business, financial condition and results of operations.

4.3.11. Disruptions at one of our modular building factories could have an adverse effect on our financial condition or results of operations

We own and operate two factories—one in the Czech Republic and the other in Morocco—where units for our Modular Buildings division are built.

A loss of the use of all or a portion of either of these factories for an extended period of time due to an incident at one of these production sites, such as a fire, a labor dispute, an accident, weather conditions, natural disasters or otherwise, may have a material adverse effect on our customer relationships, and thus our Modular Buildings business, financial condition or results of operations.

4.3.12. We depend on subcontractors and other third parties for the operations of certain of our businesses

We depend on subcontractors and other third parties for the operations of certain of our businesses, notably in our Modular Buildings and Freight Railcars divisions. For example, in our Modular Buildings division, we use a significant number of subcontractors for transport and assembly of our units, as well as the supply of furnishings and fittings for our mobile buildings. Furthermore, in our Freight Railcars division, we rely on third-party workshops and maintenance facilities to carry out repair work on railcars according to our Entity in Charge of Maintenance ("ECM") compliant technicians' instructions. Delays in production at our subcontractors' facilities or quality control failures, which may both be due to factors beyond our control, could have a negative impact on these subcontractors' ability to perform to our standards, and consequently on our ability to fulfill our contractual obligations to our customers.

We may be held liable if one of our subcontractors causes damage to a customer's property, violates environmental and/or occupational health and safety regulations or engages in willful misconduct or other tortuous acts while at a worksite or on a customer's premises in connection with one of our contracts. Such claims may be substantial and may result in adverse publicity for us. Moreover, such claims may not be covered or fully covered by our insurance policies. Although contracts with subcontractors generally provide for indemnification to cover their failure to perform their obligations satisfactorily, such indemnification may not fully cover our financial losses in attempting to mitigate their failures and fulfill the relevant contract with our customer. These risks are compounded during economic downturns as our subcontractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations, and therefore may not be able to provide us with the contracted services for our projects. On the other hand, during favorable economic cycles, it may be difficult to obtain the services of qualified subcontractors in a satisfactory timeline due to high demand and/or higher prices.

If we are unable to hire qualified subcontractors or our subcontractors fail to meet our performance standards, our ability to successfully provide the agreed services to our customers could be impaired. Furthermore, if a subcontractor fails to provide timely or adequate equipment or services for any reason, we may be required to source such services or equipment at a higher price than anticipated. We may not be able to pass on any or all of such increased costs to our customers, which could negatively impact our profitability. Any of the above issues related to the use of third-party subcontractors could have a material adverse effect on our business, financial condition and results of operations.

4.3.13. We own a large and growing amount of equipment in our fleet and are subject to significant ownership risk and increasing our owned fleet entails increasing our debt, which could result in financial instability

Ownership of equipment entails greater risk than management of equipment for third-party investors. The amount of equipment in our owned fleet fluctuates over time as we purchase new equipment, sell used equipment into the secondary resale market, and acquire other fleets. In terms of gross book value, as of December 31, 2014, we owned 6.8%, 91.1%, and 66.5% of our total fleet of shipping containers, modular buildings and freight railcars, respectively. Furthermore, as part of our strategy, we intend to increase the number of owned shipping containers in our fleet and we therefore expect our ownership risk to increase correspondingly, which may result in increased exposure to financing costs and risks, litigation risks, as well as risks linked to changes in rates, re-leasing risks, changes in utilization rates, lessee defaults, repositioning costs, impairment charges and changes in sales price upon disposition of containers. Additionally, the various additional costs associated with overcapacity such as the incurrence in additional storage and maintenance costs, as well as equipment degradation and partial or total loss of its residual value, could harm our business, results of operations and financial condition. Conversely, when we manage equipment for third-party investors, most of these risks are assumed by the third-party investors.

As our ownership of equipment in our fleet grows, we will likely have more capital at risk and may need to maintain higher debt balances. We will be highly leveraged after giving effect to the financing and additional borrowings may not be available to us or we may not be able to refinance our existing indebtedness, if necessary, on commercially reasonable terms or at all. We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business or may not have access to financing on attractive terms. An inability to acquire additional assets would have an adverse impact on our business, results of operations and financial condition.

4.3.14. We face risks related to our management of a substantial portion of our shipping container and freight railcar fleets on behalf of third-party investors

We engage in asset management on behalf of third parties for a substantial portion of our shipping container and freight railcar fleets. As of December 31, 2014, approximately 75.8% of our combined shipping container and freight railcar fleets under management in terms of gross book value were owned by third-party investors for whom we provided asset management services. We primarily seek out third-party investors to share the risks and rewards of equipment ownership, thus reducing our reliance on capital expenditure in order to grow our business. Asset management is a key part of our financing and business strategy going forward, and an inability to attract further investment could materially and adversely affect our business. Management contracts govern the relationship between each of our investors and our Group. Although we do not guarantee any minimum returns on an investor's investment, an investor may terminate a management contract in specific circumstances, such as our material non-performance of our contractual obligations, our bankruptcy or winding up, our failure to pay revenues that we have collected and that are owing to the investors or a change in our majority shareholder.

For the year ended December 31, 2014, one investor accounted for 22.6% of our total revenue. If this investor were to terminate our management contract, we may not be able to find a suitable replacement investor and would have to bear the capital expenditure of the repurchase of the investor's assets. This could have a material adverse effect on our results of operations and financial condition. Further, an inability to attract new investors would prevent us from growing our business in line with our expectations.

4.3.15. We may be affected by climate change or market or regulatory responses to climate change

Climate change could affect us, as well as our customers, who transport goods using the barges, containers and railcars that we make available to them, and our suppliers, who produce our products and who may emit greenhouse gases during the production process. Our Shipping Containers division is particularly dependent on world trade. Any impact of climate change on world trade would have an impact on our business. For example, a rise in temperatures could make new trade routes accessible near the North Pole, which would reduce the number of containers required for trade between Asia and Europe, and thus would negatively impact the demand for our products and services. Extreme weather conditions or natural disasters related to climate change could also have an impact on our business, particularly in the River Barges division, where navigation can be disrupted due to drought, flooding or freezing conditions. For example, in 2013, flooding on the Danube River due to high levels of rainfall disrupted river transport. Reduction in demand due to climate change could have an adverse effect on our business, results of operations and financial condition.

Changes to laws, rules and regulations, or actions by authorities under existing laws, rules or regulations, to address greenhouse gas emissions and climate change could negatively impact our customers and our business. For example, railcars and river barges in our fleet that are used to carry fossil fuels, such as coal, could see reduced demand if new government regulations mandate a reduction in fossil fuel consumption. Potential consequences of laws, rules or regulations addressing climate change could have an adverse effect on our financial position, results of operations and cash flows.

4.3.16. Effective design of our modular building assets is vital to our business

In addition to being a vendor and a lessor of modular construction units, we manufacture them in our two factories located in Czech Republic and Morocco. As a result, we are responsible for the design and construction of the products that we sell and lease. Because modular construction units have long useful lives and managing those assets is a critical element to our lease business, we must design and build them in a manner that anticipates the needs of our customers, as well as changes in legislation, regulations, building codes and local permitting in the various markets in which we operate over the building's lifetime. In addition, we must successfully maintain and repair this equipment cost-effectively to maximize the useful life of the products and the level of proceeds from the sale of such products. As the needs or preferences of our customers change and regulations affecting modular construction evolve, we may need to incur costs to relocate or retrofit our leased assets. If we do not successfully design and construct modular buildings, we may incur significant costs or a decline in utilization rates that could have an adverse effect on our business, results of operations and financial condition.

4.3.17.We may incur significant costs to reposition our shipping containers, freight railcars, river barges or modular buildings

International trade has been marked in recent years by an imbalance of trade between exporting countries or regions and importing countries or regions. As a result, there is strong demand for cargo space at ports located near net exporters, such as in China, and lower demand at ports that are in net importer countries or regions. This imbalance of trade is most pronounced in the maritime shipping industry, but can be true to a more limited extent among other countries or regions, affecting not only our Shipping Containers division, but also our Freight Railcars and River Barges division. As a result, our customers may return equipment in areas where demand is low. When lessees return our equipment to locations where supply exceeds demand, we are required to reposition such equipment to higher demand areas rather than have excess inventory in a non-strategic location. Repositioning expenses vary depending on geographic location, distance, freight rates and other factors, and, in the case of shipping containers, may not be fully covered by drop-off charges collected from the last lessee of the equipment or pick-up charges paid by the new lessee.

We seek to limit the number of units that can be returned before the expiration of the lease agreement and impose surcharges on equipment returned to areas where we will not be able to quickly re-lease them on commercially acceptable terms. We have also set up a used equipment sales department in order to reduce inventory in locations with low demand. However, market conditions may not enable us to continue such practices. In recovery actions pursuant to the default of one of our lessee customers, we must locate the equipment and often need to pay accrued storage. Furthermore, equipment can also be lost or damaged. In such cases, we invoice our customers for the replacement values previously accepted in each lease agreement. Furthermore, we may not accurately anticipate which locations will be characterized by high or low demand in the future, and our current contracts will not protect us from repositioning costs if locations that we expect to be high-demand locations turn out to be low-demand locations at the time leases expire. Even though risks associated with reposition of our equipment mainly affects our shipping containers, freight railcars and river barges, our Modular Buildings division is also subject to these risks and if reposition costs are higher than usual, our business, financial condition and results of operations, could be materially adversely affected.

4.3.18. We rely on title registries to evidence ownership of our assets. Failure to properly register or the lack of an international registry increases the risk of ownership disputes

There is no internationally recognized system of recordation or filing to evidence our title to the types of equipment that we lease nor is there an internationally recognized system for filing security interests in the types of equipment that we lease. Although we have not experienced material problems with respect to this lack of internationally recognized system in the past, the lack of an international title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of the containers. Likewise, we may be subject to ownership disputes derived from unenforceable, voidable or void registration of our equipment due to our lack of compliance with the required formalities. Failure to correctly record our properties in the appropriate registry could result in arbitration proceedings, litigation or ownership disputes, which could have a material adverse effect on our business, results of operations and financial condition.

4.3.19. We may lose the services of members of our senior executive and management team and other key personnel

The unanticipated departure of any key member of our senior executive and management team could have an adverse effect on our business. In addition, because of the specialized and technical nature of our business, our future performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, technical, marketing and support personnel necessary to operate efficiently and to support our operating strategies. Competition for such personnel is intense, and we may be unable to continue to attract or retain such qualified personnel. Furthermore, our labor expenses could also increase as a result of continuing shortages in the supply of personnel. Failure to retain key personnel or attract new skilled personnel may materially adversely affect our business, results of operations and financial condition.

4.3.20. Certain liens may arise on our equipment in the ordinary course of our business

Depot operators, repairmen and transporters may come into possession of our equipment from time to time and have sums due to them from the lessees or sub-lessees of the equipment. In the event of non-payment of those charges by the lessees or sub-lessees, we may be delayed in, or entirely barred from, repossessing the equipment, or be required to make payments or incur expenses to discharge liens on our equipment, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

4.3.21. Our business strategies may fail to produce the desired results

Our future financial performance and success depend on our ability to implement our business strategies successfully. For instance, we continue to focus on cost reduction initiatives to improve operating efficiencies and generate cost savings. Such cost reduction initiatives, as well as our other business plans and decisions, may not be as successful as we expect and the costs involved in implementing our strategies may be significantly greater than we anticipated. We may experience cost overruns, and the cost of capacity expansion projects could have a negative impact on our financial results until fleet utilization is sufficiently high to absorb the incremental costs associated with the expansion. Generally speaking, we may not be able to successfully implement our business strategies or ensure that implementing these strategies will sustain or improve, and not harm, our results of operations.

In general, our business strategies are based on assumptions about future demand for our equipment and on our ability to optimize utilization of our existing and future equipment. Economic volatility or uncertainty makes it difficult for us to forecast trends and set appropriate investment levels, which may have an adverse impact on our business and financial condition. The economic downturn that started with subprime mortgage crisis in 2007 led to significant reductions in available capital and liquidity from banks and other providers of credit, substantial fluctuations in equity and currency values worldwide and concerns that the worldwide economy could enter into a prolonged recessionary period. These factors limited our ability to forecast future product demand trends. Uncertainty regarding future product demand could cause us to maintain excess equipment inventory and increase our capital expenditures beyond what is efficient. Alternatively, this forecasting difficulty could cause a shortage of equipment for rental that could result in an inability to satisfy demand for our products and a loss of market share. Also, as part of our strategic business plans, we constantly have to make decisions with respect to the type, model and technical characteristics of the equipment that we purchase or manufacture. We must make these decisions based on present demand and our forecasts of future demand these decisions may turn out to be less profitable than originally expected given the long lifespan of these assets. We cannot guarantee that our strategic business decisions will be successful in the future and that we will be able to implement our strategy of optimizing utilization of assets in accordance with our plans or at all. Additionally, any failure to develop, revise or implement our business strategies in a timely and effective manner may adversely affect our business, financial condition, results of operations.

We may choose to pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and we face risks from our joint ventures.

We may pursue acquisitions and enter into joint venture agreements in the future. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

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

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business.

We have also entered into joint venture agreements with respect to our Freight Railcars division and may pursue new joint ventures in other divisions in the future. Our strategic and business partners may not continue their relationships with us in the future and we may not be able to pursue our stated strategies with respect to our non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, our joint venture partners may have economic or business interests or goals that are inconsistent with ours, take actions contrary to our policies or objectives, experience financial and other difficulties or be unable or unwilling to fulfill their obligations under the joint ventures, which may have an adverse effect on our business.

Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures. This could constrain our ability to pursue our corporate objectives in the future, which could have a material adverse effect on our business, results of operations and financial condition.

4.3.22. We may choose to pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and we face risks from our joint ventures

We may pursue acquisitions and enter into joint venture agreements in the future. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

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

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business.

We have also entered into joint venture agreements with respect to our Freight Railcars division and may pursue new joint ventures in other divisions in the future. Our strategic and business partners may not continue their relationships with us in the future and we may not be able to pursue our stated strategies with respect to our non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, our joint venture partners may have economic or business interests or goals that are inconsistent with ours, take actions contrary to our policies or objectives, experience financial and other difficulties or be unable or unwilling to fulfill their obligations under the joint ventures, which may have an adverse effect on our business.

Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures. This could constrain our ability to pursue our corporate objectives in the future, which could have a material adverse effect on our business, results of operations and financial condition.

4.3.23. We operate in many jurisdictions with highly complex and variable tax regimes, and changes in tax rules and the outcome of tax assessments and audits could have a material effect on our financial results

We conduct business around the world and are therefore subject to highly complex and often divergent tax laws and regulations, resulting in very challenging structuring and operational issues. Changes in tax rules and the outcome of tax assessments and audits could have a material effect on our financial results. The tax rates to which we are subject are variable. Our effective tax rate in any jurisdiction may depend on changes in our level of operating profit or in the applicable rate of taxation there, as well as on changes in estimated tax provisions due to new events. We currently have tax benefits in certain jurisdictions. These benefits may not be available in the future due to changes in relevant local tax rules, which could cause our effective tax rate to increase and may result in an adverse effect on our business, financial condition and results of operations.

In addition to audits to which we are subject in the ordinary course of business, uncertainties may also result from disputes with local tax authorities about the transfer pricing of internal deliveries of goods and services or related to financing, acquisitions and divestments, the use of tax credits and permanent establishments, and tax losses carried forward. These uncertainties may have a significant impact on our local tax results. We also have various tax assets as a result of acquisitions. Tax assets can also result from the generation of tax losses in certain legal entities. Tax authorities may challenge these tax assets. In addition, the value of the tax assets resulting from tax losses carried forward depends on our having sufficient taxable profits in the future. Although we believe that we have conducted our business in compliance with tax laws, if local authorities or an administrative court decide we have not been tax compliant, we can be subject to significant liability. Any or all of these tax issues could have an adverse effect on our business, financial condition and results of operations.

4.3.24. The fair market value of our long-lived assets may differ from the value of those assets reflected in our financial statements

Our assets primarily consist of long-lived assets which may have a carrying value in our financial statements that may sometimes differ from their fair market value. These valuation differences may be positive or negative and could be material depending on market conditions and demand for certain assets. We review long-lived assets for impairment in accordance with applicable rules, including whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of the assets is measured by a comparison of the carrying amount of the assets to future net cash expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There are many assumptions and estimates underlying the determination of an impairment event or loss, if any. The assumptions and estimates include, but are not limited to, estimated fair market value of the assets and estimated future cash flows expected to be generated by these assets, which are based on additional assumptions such as utilization rates, number of years that the asset will be used and its estimated residual value. Although we believe our assumptions and estimates are reasonable, deviations from the assumptions and estimates could produce a materially different result, which could have an adverse effect on our financial condition, results of operations and cash flows.

4.3.25. We rely on our proprietary information technology systems to conduct our business. There are some risks is these systems fail to perform their functions adequately, or if we experience an interruption in their operation

The efficient operation of our business is highly dependent on our proprietary information technology systems. We rely on our systems to track transactions, such as repair and depot charges and changes to book value, and movements associated with each of our owned or managed equipment units. We use the information provided by these systems in our day-to-day business decisions in order to effectively manage our lease portfolio and improve customer service. We also rely on them for the accurate tracking of the performance of our managed fleet for each third-party investor. The failure of our systems to perform as we expect could disrupt our business, adversely affect our financial condition, results of operations and cash flows and cause our relationships with lessees and third-party investors to suffer.

Furthermore, these systems may require modifications or upgrades as a result of technological changes or growth in our business. These changes may be costly and disruptive to our operations, and could impose substantial demands on management time. In addition, with respect to our current and future information technology systems, we could experience failures or disruptions resulting from circumstances beyond our control, including natural disasters, computer viruses or malware, fires, physical or electronic break-ins, network failures, electricity failures or other causes. Any such interruption could have a material adverse effect on our business, reputation, results of operations and financial prospects.

4.3.26. Significant increases in raw material costs could increase our operating costs significantly and harm our profitability

Equipment purchase prices vary according to the volatility of commodity prices, especially steel, which represents the main component of shipping containers, freight railcars, river barges and modular buildings. Volatility in the price of raw materials is caused not only by supply and demand, but also by exchange rate fluctuations when commodity prices are listed in currencies other than our functional currency, such as the U.S. dollar. We try to reduce this risk by restricting our firm commitments and by negotiating indexing mechanisms for commodity prices. For freight railcars, river barges and modular buildings, orders are placed for new equipment once we have concluded a lease or purchase agreement with a customer for such equipment.

We generally take into account the prices at which we purchase our products when setting the prices at which we lease or sell them to customers. However, we may not always be successful in passing on price increases to our customers in an environment where there is pressure on leasing or sale prices or if it is difficult to lease equipment due to weak demand. A failure to pass on such increased operating costs would have an adverse effect on our business, results of operations and financial condition.

4.3.27. We are subject to risks associated with labor disruptions, particularly with our operations that employ unionized labor, as well as changes in labor laws

We are subject to the risk of labor disputes, which may disrupt our operations. Although we believe our relations with employees are good, our operations may nevertheless be materially affected by strikes, lockouts, work stoppages, work-slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

Labor laws applicable to our business in certain countries, particularly France, where 28% of our total number of employees are located, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

4.4. Financial risks

4.4.1. Liquidity risk

The TOUAX Group's top priorities for managing its liquidity risk are to ensure financial continuity, to meet its commitments at their due dates, and to optimize the cost of debt. The Group has carried out a specific review of its liquidity risk, and considers it is able to meet its commitments at the future due dates.

Liquidity risk management is assessed according to the Group's requirements set forth in the notes to the consolidated financial statements note 1 page 109.

The list of loans containing specific clauses and commitments is mentioned in note 18.2.3 and note 1 page 109 of the notes to the consolidated financial statements.

4.4.2. Interest rate and currency risks

The TOUAX Group relies on loans for both its development requirements and its investment policy. A large portion of its loans apply a variable interest rate. Most of the Group's interest-rate risk is related to its variable interest-rate loans.

Interest rate risk management is described in the notes to the consolidated financial statements note 1 page 109.

Information on currency risk and its management is provided in note 1 of the notes to the consolidated financial statements, page 109.

We have a strong international presence and therefore we are naturally exposed to currency fluctuations. Because our consolidated financial results are reported in Euros, if we generate sales or earnings in other currencies, the translation of those results into Euros can result in a significant increase or decrease in the amount of those sales or earnings. For purposes of accounting, the assets and liabilities of our foreign operations, where the local currency is the functional currency, are translated using period-end exchange rates, and the revenue and expenses of our foreign operations are translated using average exchange rates during each period.

These fluctuations may affect our results through the conversion into Euros of accounts for our subsidiaries outside the Euro zone. Our exposure to currency risk is mainly linked to fluctuations in the U.S. dollar and, to a lesser extent, the Czech crown and the Polish zloty against the Euro. Based on our results for the year ended December 31, 2014, we estimate that a 10% decrease in the exchange rate of the U.S. dollar against the Euro would cause an 17.8% drop in our current operating income. However, these are estimates and future fluctuations in currency exchange rates may have a more adverse effect on our current operating income than originally anticipated, and therefore, it could negatively affect our business, financial condition and results of operations.

Further, we incur currency transaction risk whenever we enter into a purchase, sales or leasing transaction using a currency other than the functional currency of the transacting entity.

We rely on loans for both our development requirements and our investment policy. Most of our interest-rate risk is related to variable interest-rate loans, which represented most of our outstanding indebtedness. Any increase in interest rates would increase our finance costs relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. Further, given our leverage, increases in interest rates could adversely affect cash flow and our ability to make payments on the Notes. There can be no assurance that future exchange rate and interest rate fluctuations will not have a material adverse effect on our financial condition and results of operations.

4.4.3. Risk on equity and other financial instruments

The Group's strategy is to invest its excess cash in UCITS (Undertakings for Collective Investments in Transferable Securities) money market funds, for a short-term. The Group has no dealings on the financial stock markets.

The equity risks are described in the notes to the consolidated financial statements note 1 page 109.

- **Risk of dilution for stockholders**

The Group's strategy is based on the growth and development of various fleets. This strategy requires considerable funding. One of the methods used by the Group is to issue a call for funds to equity markets.

Stockholders who do not subscribe to the call for funds are exposed to a risk of dilution of their stake in TOUAX's capital. For the record, the last call-up of capital was completed in 2009 to finance growth.

4.4.4. Counterparty risk

Counterparty risk from Cash and Cash Equivalents, as well as from derivative instruments under contract with banks and/or financial institutions, is managed centrally by the Group's Treasury and Financing Department.

This risk is set out in the notes to the consolidated financial statements note 26.3 page 109.

4.5. LIABILITY AND INSURANCE RISKS

4.5.1. Failure to properly design, manufacture, repair and maintain our equipment may result in impairment charges, potential litigation

We design and manufacture the majority of our modular building units. The economic lifespan of these units typically varies between 20 and 30 years, with a residual value that varies depending on product type and location. Proper design, manufacture, repair and maintenance of the modular unit during our ownership is required for the product to reach its estimated useful life with an optimized residual value. If we do not appropriately manage the design, manufacture, repair and maintenance of our modular construction units, or otherwise delay or defer such repair or maintenance, we may be required to incur impairment charges for equipment that is beyond economic repair or incur significant capital expenditures to acquire a new modular unit to serve demand. In addition, these failures may result in personal injury or property damage claims, including claims based on poor indoor air quality, and termination of leases or contracts by our customers. Costs of contract performance, potential litigation and profits lost from termination could accordingly materially adversely affect our future business, operating results, financial condition and cash flows.

As we do not design and manufacture the equipment that we lease through our Shipping Containers, Freight Railcars and River Barges divisions, some of the aforementioned risks are not applicable to these divisions. However, the repair and maintenance of our equipment and the equipment that we manage for third-party investors, exposes us to similar risks in relation to personal injury, property damage claims, contract performance or potential litigation among others. These risks may also have a material adverse effect on our future business, operating results, financial condition and cash flows.

4.5.2. We could be held liable for damages caused by the equipment that we lease or sell

The nature of our businesses and our assets potentially exposes us to significant personal injury and property damage claims and litigation. For example, our customers may use our equipment to transport hazardous materials, and an accident involving a shipping container, freight railcar or river barge carrying such materials could lead to litigation and subject us significant liability, particularly where the accident involves serious personal injuries or the loss of life. In some countries, particularly the United States, shipping container owners may be liable for any environmental damage caused as containers are unloaded. Our failure to maintain our equipment in compliance with governmental regulations and industry rules could also expose us to personal injury, property damage, and environmental claims. Moreover, a substantial adverse judgment against us could have a material effect on our financial position, results of operations and cash flows.

We obtain warranties from the manufacturers of our equipment. When defects in equipment occur, we work with the manufacturers to identify and rectify the problem. However, there is no assurance that manufacturers will be willing or able to honor warranty obligations. If defects are discovered in equipment that is not covered by manufacturer warranties, we could be required to spend significant sums of money to repair the containers, the useful lives of the equipment could be shortened and the value of the containers reduced. In addition, if equipment manufacturers do not honor warranties covering these failures, or if the failures occur after the warranty period expires, we could be required to expend significant amounts of money to repair or sell equipment earlier than expected. This could have a material adverse effect on our operating results and financial condition.

4.5.3. Our businesses' general regulatory framework imposes significant additional operating costs and failure to comply may result in liability and in equipment obsolescence

We are subject to several broad types of regulation in each of the countries in which we operate, including anti-terrorism, security and other shipping regulations, technical and safety regulations, environmental regulation and occupational health and safety regulations. These regulations may result in equipment obsolescence or require substantial investments to retrofit existing equipment. Additionally, environmental concerns are leading to significant design changes for new shipping containers, modular buildings, freight railcars and river barges that have not been extensively tested, which increases the risks we face from potential technical problems. Compliance with regulations in our various jurisdictions can impose a significant cost. If changes in regulations were to occur, we could incur significant retrofitting costs. A failure to comply with regulation, or obsolescence of all or a portion of our fleet due to regulatory changes, could have a material adverse effect on our business, operating results, financial condition and cash flows.

4.5.4. If our insurance is inadequate or if we are unable to obtain insurance, we may experience losses

We have a systematic policy of insuring our tangible assets and our general risks. We have three types of insurance policies: equipment insurance, operational liability insurance, and liability insurance for our officers.

The risk of losses or damage to tangible assets in the Modular Buildings, River Barges and Freight Railcars divisions is covered by the equipment insurance policy (comprehensive property insurance). In accordance with standard business practices, our Shipping Containers customers are responsible for insuring containers themselves. Under all of our leases, our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities. Our Modular Buildings division mainly works with two depot companies, which are also required to maintain insurance and indemnify us against losses.

Although we believe that we have adequate coverage in accordance with market practices, there can be no assurance that any claim under our insurance policies will be honored fully or timely, our insurance coverage will be sufficient in any respect or our insurance premiums will not increase substantially. If we were to incur a significant liability for which we were not fully insured, or if premiums for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, our business, financial condition and results of operations could be materially adversely affected.

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5. ISSUER INFORMATION

5.1. Company history and development

5.1.1. Business name and commercial name

TOUAX SCA

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

5.1.2. Place of incorporation and registration number

- Register of companies

Tour Franklin – 23ème étage – 100-101 Terrasse Boieldieu – 92042 La Défense cedex – FRANCE

Telephone: +33 1 46 96 18 00

- Identification

Register of companies: Nanterre B 305 729 352

SIRET: 305 729 352 00099

APE: 7010Z

Listed on NYSE Euronext in Paris – Compartment C

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

5.1.3. Date of incorporation and duration

The company was incorporated on December 31, 1898. Incorporation will expire on December 31, 2104.

5.1.4. Legal status and legislation

- Company legal status

Partnership limited by shares

- Financial year

The financial year of TOUAX SCA commences on January 1 and ends on December 31.

- Share capital

On December 31, 2014 the company's capital comprised 5,883,773 shares with a par value of €8.

The capital is fully paid up.

- Company legislation

A partnership limited by shares, governed by the French Commercial Code.

- Viewing of the company's legal documents

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

- Information policy

In addition to its annual report and publications in BALO (gazette featuring mandatory legal announcements), the company distributes a half-yearly business newsletter containing a sector-based analysis of the company's revenues and key events of the half-year.

A financial communication agreement has been signed with ACTIFIN – 76-78, rue Saint Lazare – 75009 – Paris – FRANCE.

Annual reports, press releases and half-yearly newsletters are available in French and English on the Group's website (www.touax.com).

Significant news that may affect share prices is always broadcast through the press.

- Persons responsible for financial information

Fabrice and Raphaël WALEWSKI

Managing Partners of TOUAX SCA

Tour Franklin – 23ème étage – 100-101 Terrasse Boieldieu - 92042 La Défense CEDEX – FRANCE

Tel.: + 33 (0)1 46 96 18 00

Fax: + 33 (0)1 46 96 18 18

e-mail: touax@touax.com

5.1.5. Historical background

Besides the timeline on pages 12 and 13, our Group's history began over 160 years ago with our founding as an operator of barges on the Seine river in France in 1853. Our company was founded as a result of the merger with another major river barge operator in 1898. We became a listed company on the Paris Stock Exchange (now Euronext Paris) in 1906.

We began to diversify our services in the middle of the 20th century, branching out first into the leasing of freight railcars in 1955, followed by the launch of our Modular Buildings division in 1973. We entered the shipping container leasing business first as an investor in assets, and then through our acquisition of the Gold Container Corporation in 1985.

Beginning in the 1990s, we expanded our activities to include management of leased assets for third-party private and institutional investors. In 1998, our current Managing Partners, Fabrice and Raphaël WALEWSKI, assumed their functions. Our Managing Partners are the latest generation in a line of members of the WALEWSKI family that have managed our Group since the beginning of the 20th century. They have overseen a period of significant growth of our Group, as we have focused on growing our international footprint to include both developed countries, such as the United States, and emerging markets, such as Asia, Panama and Morocco. The latest stage of this strategy was the opening of our subsidiary in Brazil.

5.2. INVESTMENTS

5.2.1. Principal investments

The Group's business is to lease shipping containers, modular buildings, river barges and freight railcars. The Group also has the cross-functional activity of third-party asset management. Consequently, by the end of 2014, 59% of assets under Group management were financed by investors and entrusted to the Group under management contracts. The Group's growth policy is based on new equipment lease agreements with its customers, requiring new investments funded by third-party investors as part of the Group's management programs or by the Group using its own financing resources. In 2014, the portion of assets owned by the Group was down compared with 2013 as the Group favored investments for third parties investors.

The Group is keen to pursue growth in its four core businesses by increasing the amount of new equipment on long-term lease agreements. In 2015, the Group will prioritize investments financed by third parties. The objective is to generate further economies of scale, with a return on equity of 15% by optimizing the Group's borrowing capacity. The return on equity corresponds to the ratio of net profit / stockholders' equity. This is the concept usually calculated by financial analysts. These investments include Group-owned and third-party assets. To achieve these objectives, the Group balances out the ratio between managed and proprietary assets using a distribution rule that varies according to the business. At present, the breakdown of managed assets is 41% owned equipment and 59% equipment belonging to third-parties. The assets held by fully consolidated subsidiaries are wholly included in the Group's assets, even if the Group invested in partnership with minority stockholders.

Moreover, the Group's strategy is to mainly invest in new, long-term contracts. This strategy makes it possible to limit the releasing risk and the volatility of the equipment's residual value. This strategy also facilitates the Group's ability to find third-party investors and to finance itself in order to continue its development.

TOUAX's investment policy is focused on financing Group-owned assets in line with a recourse debt-to-equity ratio of 1.9 to 1. To optimize income, the Group therefore uses "non-recourse" debt, where redemption is secured via leasing revenues or gains from the disposal of the financed asset. This type of financing supports the Group's growth, while reducing risks for stockholders. The policy adopted by the Group is to maintain a debt-to-equity ratio (including non-recourse debt) of 2.8 to 1. This is an internal limit. This policy enables the Group to pre-finance assets to be sold to investors. Selling assets to investors is part of the Group's strategy and it finances growth with limited recourse to debt. The Group's growth generates economies of scale and increases margins.

The Group has access to all types of financing, short, medium and long-term loans, loans without recourse, operational leasing, leasing, factoring and assignment of receivables.

Lease agreements are classified as financial lease agreements when the Group benefits from the advantages and risks inherent in ownership. For example, clauses for the automatic transfer of ownership, options to buy at a value far below the estimated market value, equivalence between the lease term and the life of the asset or between the discounted value of future lease payments and the value of the asset are features that generally lead to lease agreements being classified as finance contracts.

In 2014, the economic conditions in Europe, particularly for the Modular Building and Freight Railcar businesses, resulted in a certain amount of pressure on the leasing prices and utilization rates. However, the investors continued to show interest in the assets managed by the Group, which made it possible to sign new asset management contracts, mainly of shipping containers. Moreover, TOUAX always seeks to acquire fleets of existing equipment.

In 2014, the Group made the following investments on its own behalf and for investors:

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	TOTAL
Gross Capital Assets Investments	3 108	10 558	2 941	5 537	483	22 627
Variation in Stocks of Equipment	-6 739			57		-6 683
Sale of Capitalized Equipment (historical gross value)	-23 328	-17 774	-7 576	-8 890	-7	-57 575
Investments in capital and in stock	**-26 960**	**-7 216**	**-4 635**	**-3 297**	**477**	**-41 630**
Equipment sold to investors (finance lease)						
Gross investment in managed assets	86 580					86 580
Capitalized equipment sold to investors	19 100					19 100
Sale of Capitalized Equipment	-30 762	-493		-18 235		-49 490
Net Investments in Managed Assets	**74 917**	**-493**		**-18 235**		**56 189**
NET INVESTMENTS	**47 957**	**-7 709**	**-4 635**	**-21 531**	**477**	**14 559**

In 2013, the investments on its own behalf and those for investors were as follows:

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	TOTAL
Gross Capital Assets Investments	2,061	23,238	8,410	14,421	330	48,460
Variation in Stocks of Equipment	13,511					13,511
Sale of Capitalized Equipment (historical gross value)	(8,893)	(8,417)	(8,895)	(213)	(279)	(26,697)
Investments in capital and in stock	**6,679**	**14,821**	**(485)**	**14,208**	**51**	**35,274**
Equipment sold to investors (finance lease)						
Gross investment in managed assets	65,675					65,675
Capitalized equipment sold to investors	5,474					5,474
Sale of Capitalized Equipment	(20,799)			(35,523)		(56,322)
Net Investments in Managed Assets	**50,350**			**(35,523)**		**14,827**
NET INVESTMENTS	**57,029**	**14,821**	**(485)**	**(21,315)**	**51**	**50,101**

In 2012, the investments on its own behalf and those for investors were as follows:

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	TOTAL
Gross Capital Assets Investments	9,658	30,062	16,152	101,650	179	157,701
Variation in Stocks of Equipment	31,457			9,689		41,147
Sale of Capitalized Equipment (historical gross value)	(6,747)	(7,947)	(10,643)	(503)	(37)	(25,877)
Investments in capital and in stock	**34,368**	**22,115**	**5,509**	**110,836**	**142**	**172,971**
Equipment sold to investors (finance lease)						
Gross investment in managed assets	74,505					74,505
Capitalized equipment sold to investors						
Sale of Capitalized Equipment	(26,570)			(90,843)		(117,413)
Net Investments in Managed Assets	**47,935**			**(90,843)**		**(42,908)**
NET INVESTMENTS	**82,303**	**22,115**	**5,509**	**19,994**	**142**	**130,062**

On 1 January 2012, the Group acquired 26% of the shares of SRF Railcar Leasing Ltd, thereby raising its holding to 51% of the latter company's capital. The Group thus took control of this equity consolidated subsidiary. Now fully consolidated, the shares held by this subsidiary have been transferred from the category "tangible assets under management" to "net fixed investments for stock" amounting to 84 million euros.

The following non-current investments were recognized in the Group's consolidated financial statements as of December 31, 2014:

Net capital assets investments during the fiscal year *(€ thousands)*	**2014**	2013	2012
Net investments in intangible assets	(641)	175	885
Net investments in tangible assets	(32 605)	22 045	132 748
Net investments in financial assets	(1 702)	(458)	(1 809)
TOTAL net investments	**(34 947)**	**21 762**	**131 824**

Breakdown by business of net capital assets investments *(€ thousands)*	**2014**	2013	2012
Shipping Containers	(20 220)	(6 832)	2 911
Modular Buildings	(7 216)	14 821	22 115
River Barges	(4 635)	(486)	5 508
Freight Railcars	(3 353)	14 208	101 147
Miscellaneous	477	51	143
TOTAL	**(34 947)**	**21 762**	**131 824**

Methods of financing of net capital assets investments *(€ thousands)*	**2014**	2013	2012
Cash / loans	(37 410)	11 160	131 824
Leasing	2 462	10 602	
Management contract with third party investors	**(34 947)**	**21 762**	**131 824**

The investments kept on the Group's Balance Sheet were financed via available credit lines.

5.2.2. Principal current investments

Orders and investments paid since the beginning of 2015 come to €3.9 million approximately, as of January 31, 2015, including €3 million in shipping containers and €0.9 million in modular buildings.

Orders and investments have been financed by cash and available credit lines

5.2.3. Firm investment commitments

Firm orders and investments as of December 31, 2014 come to €42.5 million, including €21.5 million in shipping containers and €21 million in freight railcars.

Firm investment commitments will be pre-financed via available credit lines. Most of these investments will be sold to third-party investors.

The overwhelming majority of orders for shipping containers and freight railcars are intended for sale to third-party investors.

5.2.4. Breakdown of managed assets

The value of the managed assets presented below corresponds to the equipment purchase prices. Assets in US dollars are values at the exchange rate of December 31, 2014. Fluctuation in the value of the US dollar leads to fluctuation in the value of the equipment from one year to the next.

The breakdown in the assets managed by the Group is as follows:

(in thousands of euros)	**2014**		2013		2012	
	owned by the Group*	**owned by investors outside the Group**	owned by the Group*	owned by investors outside the Group	owned by the Group*	owned by investors outside the Group
Shipping Containers	60 061	829 081	79 296	657 718	76 301	642 497
Modular Buildings	324 912	31 688	331 195	32 181	318 485	32 181
Freight Railcars	244 748	123 307	247 482	141 542	233 675	171 932
River Barges	78 778	16 215	78 967	19 215	81 034	24 215
TOTAL	**708 497**	**1 000 290**	**736 940**	**850 656**	**709 495**	**870 825**

* Assets, owned by the Group, including capital assets and assets in stock.

There are no assets managed as part of the securitization on December 31, 2012, 2013 and 2014.

Equipment used by the Group under operational leases is recognized in managed assets, while equipment used by the Group under financial leases is recognized in Group-owned assets. Details on non-recourse operating leases can be found note 28.1 page 113 of the notes to the consolidated financial statements, section 20.1.

6. BUSINESS OVERVIEW

6.1. CORE BUSINESSES

6.1.1. Types of operations and core businesses

We are a leading global corporate services provider specializing in the operational leasing, sale and management of mobile standardized equipment. We operate in four divisions corresponding to each of the types of assets that we lease and manage: Shipping Containers, Modular Buildings, Freight Railcars and River Barges.

Our Group's history began over 160 years ago with our founding as an operator of barges on the Seine river in France in 1853. We became a listed company on the Paris Stock Exchange (now Euronext Paris) in 1906.

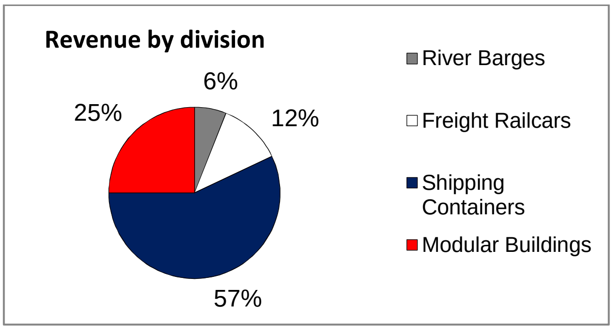
Each of our four divisions holds leading market positions in the key regions in which it operates. We believe that we are the ninth biggest lessor and the third biggest asset manager of shipping containers in the world, the leading lessor and biggest manager of shipping containers in continental Europe, the second biggest lessor in terms of presence in the continental European modular buildings market, one of the biggest lessors of intermodal railcars in Europe, in each case based on the size of our fleet, and, finally, the only operational lessor of dry river barges in Europe and in the Parana-Paraguay basin in South America.

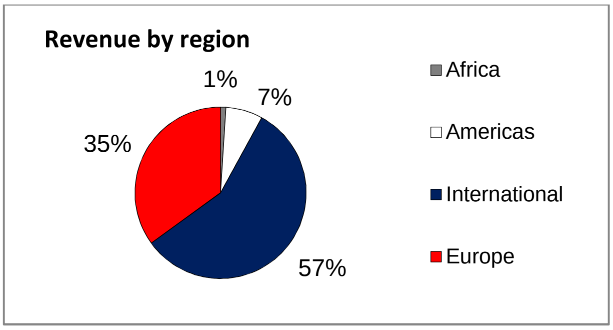
We offer a wide range of services related to our equipment, which we either own or manage for the account of third-party investors, to a variety of customers around the world, providing us with diverse and recurring revenue streams. In addition to operational leasing of equipment, we engage in financial leasing, sale and leaseback arrangements, as well as sales of new and second-hand equipment. We also provide services ancillary to our equipment leases, such as maintenance and trading.

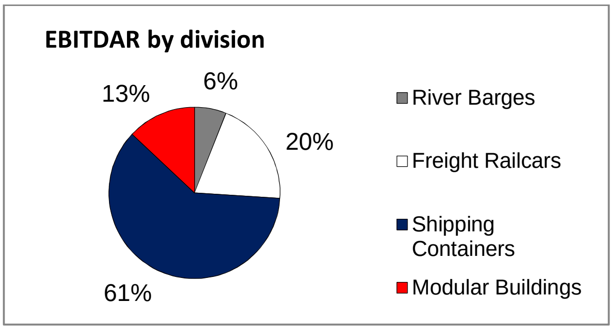
We operate a global and highly diversified business model, with four divisions operating in a total of approximately 40 countries on five continents. Our Shipping Container division revenue, which we consider to be international in nature, accounted for 57% of our total revenue for the year ended December 31, 2014. Our other divisions generated 35.2% of our total revenue in Europe (of which 8.9% was in France), 6.4% in the Americas and 1.4% in Africa.

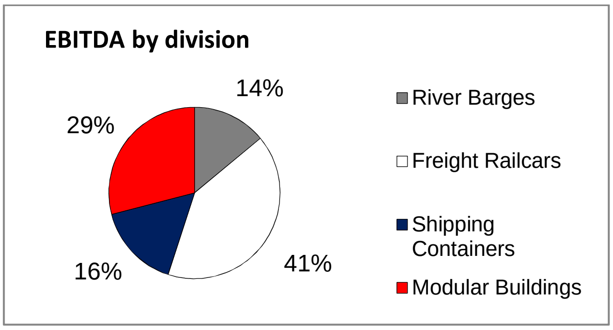
Over the years we have developed an extensive platform comprising a global network of branches, offices and depots, as well as a first-rate reputation enabling us to build long-term relationships with our customers. We serve approximately 5,000 customers worldwide in a vast range of end-markets, including some of the biggest maritime shipping companies, international industrial groups, governmental authorities, railway companies and logistics providers, with whom, in some cases, we have long-standing relationships.

Our revenue, EBITDAR (which is our EBITDA before distributions to investors), EBITDA and Adjusted EBITDA for the year ended December 31, 2014 were €378.7 million, €94.9 million, €40.0 million and €44.6 million, respectively. Set forth below is a breakdown of our revenue, EBITDAR (before distribution to investors) and EBITDA by division, as well as breakdown of our revenue by geography, for the year ended December 31, 2014.

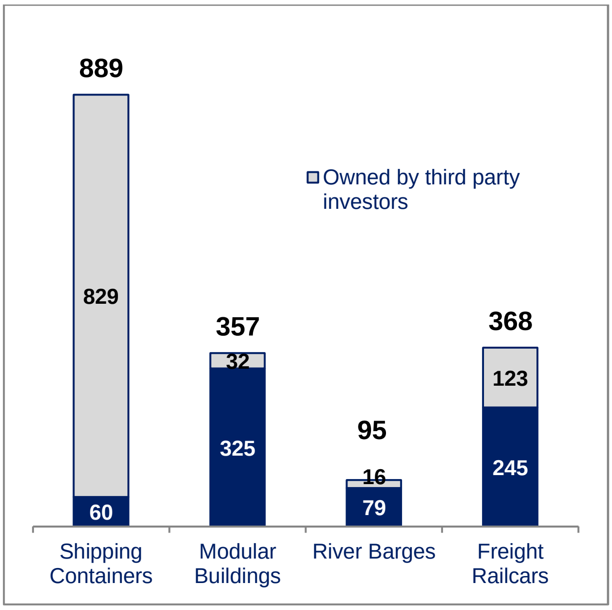






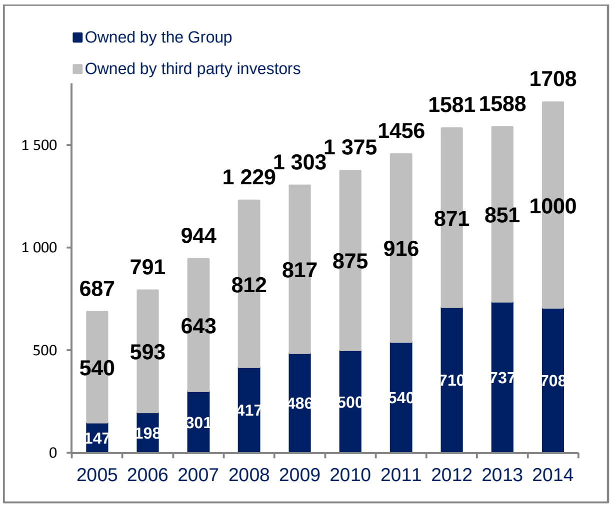


We manage a young fleet of assets with a total gross book value of approximately €1.7 billion as of December 31, 2014, which are either directly owned by us or managed by us for the account of third-party investors, comprising 627,108 TEUs of shipping containers (of which 93.2% were managed on behalf of third-party investors), 50,482 modular construction units (of which 8.9% were managed on behalf of third-party investors), 5,454 freight railcars (of which 33.5% were managed on behalf of third-party investors) and 127 river barges. A breakdown of our fleet's gross book value by type of asset as of December 31, 2014 is set out below.



In € million

In connection with our asset management activity, we purchase and subsequently syndicate portfolios of equipment (mostly shipping containers and freight railcars) for sale to third-party institutional and private investors. We enter into long-term agreements to operationally manage the assets comprising our syndicated portfolios, without guaranteeing rental rates or a rate of return on the portfolio to the investors for whom we manage the assets. We receive a syndication fee at the time of the sale of the portfolio to an investor, and through our management agreements (which tend to range from 12 to 15 years), we receive management fees based on the gross rental revenue attributable to the managed portfolio. As of December 31, 2014, our third-party investors owned 58.5% of the total gross book value of our rental fleet. A chart showing the growth of the total gross book value of our fleet under management from 2005 to 2014 is set out below.



In € million

We have a diversified business model that enables us to generate recurring revenue as a result of the standardized nature, long economic lifespan and low obsolescence rate of our equipment. Our leasing revenue is generated by long-term lease agreements, securing long-term recurring income and predictable cash flows. Our asset management activity provides us with recurring revenue as a result of the long-term nature of our asset management contracts. These recurring streams are enhanced by opportunistic sales of second-hand equipment, which we pursue based on prevailing market conditions. As of December 31, 2014, we had €285.9 million of minimum future payments to be received under existing operating leases, of which €110.4 million will be generated over the next year.

As we are engaged in an asset-based business, we resort to asset-backed financings to operate and grow our business. As of December 31, 2014, we had total tangible assets of €665.5 million mainly comprising highly versatile and liquid assets with a high residual value. These assets were financed through a mix of equity, cash and debt.

Our competitive strengths

We benefit from long-lasting leading positions in markets which give a significant premium to experience and scale

Leading positions

With our extensive network of sales offices, agencies and depots located in approximately 40 countries on five continents, we have achieved leading positions in most of our divisions and main geographies. Most of our markets being characterized by significant barriers to entry, these leading positions have historically allowed us to fully benefit from available growth opportunities.

We believe that we are the ninth biggest lessor and the third biggest asset manager of shipping containers in the world, based on the size of our fleet, and the leading lessor and biggest manager of shipping containers in continental Europe based on the size of our fleet. We had a shipping container managed fleet of 627,108 TEU, representing a gross book value of approximately €889.1 million as of December 31, 2014, of which 93.2% consisted of shipping containers that we managed on behalf of third-party investors.

We believe we are the second biggest lessor in terms of presence in continental Europe of modular buildings with 50,482 units representing a gross book value of approximately €356.6 million as of December 31, 2014, of which 8.9% consisted of modular buildings that we managed on behalf of third-party investors.

We further believe we are one of the biggest lessors of intermodal railcars in Europe based on the size of our fleet, with a total fleet of 5,454 units representing a gross book value of approximately €368.1 million as of December 31, 2014, of which 33.5% consisted of railcars that we managed on behalf of third-party investors.

Finally, we believe we are the only operational lessor of dry river barges in Europe and in the Paraná-Paraguay basin in South America. We are also present in the Mississippi and Missouri basins in the United States. We have a fleet of 127 river barges, representing a gross book value of approximately €95.0 million as of December 31, 2014.

Experience and scale advantages

Experience and scale constitute a critical competitive advantage in our markets and underlie the success of only the largest market participants. Because our business is capital intensive, building the appropriate inventory and platform to efficiently carry on our business requires significant financial resources, and constitute high barriers to entry for new participants.

Our experience and size have allowed us to develop over the years the significant platform, know-how and global presence required to achieve operational efficiency in a highly competitive environment. We benefit from the experience of our management teams in the various industrial and geographical end-markets to which we market our products and services. Our depth of experience provides us with insights into dynamics that are critical to the success of our business, such as the timing of investments and divestments of equipment in our rental fleet, where, when and at what price to make equipment available to potential lessees, and trends in customer demand in all our end-markets.

Furthermore, we have a first-rate reputation for technical expertise and operational excellence, which enables us to meet the quality standards demanded by our customers, particularly in the areas of maintenance and customer assistance. Our successful track record in the asset management business has also allowed us to attract and develop strong relationships with investors in portfolios of equipment. Leveraging upon our expertise, we have been able not only to grow our fleet but also to manage it proactively in order to maximize utilization rates and revenue.

Finally, we have created an efficient platform based on proprietary IT systems and have built an extended network of branches, offices, depots, workshops and agents, which in turn has allowed us to maintain strong and stable client and supplier relationships in all our businesses. We believe that the critical mass resulting from our platform and network enables us to achieve economies of scale and accordingly offer attractive pricing to customers, thereby providing us with an advantage over smaller competitors that may not be able to access financing or equipment at rates as favorable as ours.

We operate a diversified business model, serving a broad customer base in different end-markets

Our business profile is highly diversified, with four divisions operating in a total of approximately 40 countries on five continents. Each of these divisions serves a broad customer base and operates through several business models such as leasing, selling, trading and asset management.

Our divisions (Shipping Containers, Modular Buildings, Freight Railcars and River Barges) function on different business cycles. This enables us to mitigate our exposure to certain market conditions, such as potential shifts in demand among freight transport alternatives, and to shift our exposure to more profitable customer categories and end-markets. In addition, we serve approximately 5,000 customers worldwide that are exposed to a vast range of industry drivers and end-market dynamics, such as the development of international trade, the dynamism of the construction market and the tightening of regulatory frameworks. For the twelve month period ended December 31, 2014, our top 10 customers (excluding investors in our asset management programs) represented 19.9% of our total revenues.

Our operations are geographically diverse. Our shipping container revenue, which we consider to be international in nature, accounted for 57% of our total revenue for the year ended December 31, 2014. Our other divisions generated 35.2% of our total revenue in Europe (of which 8.9% was in France), 6.4% in the Americas and 1.4% in Africa. Our geographic diversification reduces our exposure to the general economic conditions affecting any single region, country or currency, and provides for cost-effective coverage of smaller customers at a local level, while also addressing the needs of larger international customers.

Furthermore, we benefit from having three different sources of revenue. Our main revenue stream consists of leasing revenue and revenue derived from the sale and trading of new or second-hand equipment, which we pursue opportunistically based on our analysis of prevailing market conditions. Some of our customers may opt, on the basis of micro- and macroeconomic factors, to buy rather than to lease their equipment. Because we both lease and sell equipment, we reduce the risks associated with our customers deciding for strategic reasons to opt for one rather than the other. We also offer to certain third-party investors the possibility of investing in and owning equipment that we manage on their behalf, and we derive additional sources of income through fees and commissions in connection with the syndication, leasing, management and resale of such equipment. This enables us to expand our fleet while limiting the risks and capital expenditure associated with equipment ownership.

We operate an asset-based business and own and manage a young, flexible, liquid asset base

We own and manage a fleet which represented as of December 31, 2014 a total gross book value of approximately €1.7 billion (of which 41.5% is owned by us), and which is marked by its quality, as well as its flexible and liquid nature. The equipment that makes up our fleet is particularly young and long-lived. For example, our fleet of shipping containers, modular buildings, freight railcars and river barges had average ages of 7.9 years, 7.6 years, 17.0 years and 12.2 years, respectively, as of December 31, 2014. In contrast, the useful economic life (as compared to the accounting life) of our rental equipment is typically between 30 to 40 years for shipping containers (including up to 15 years at sea and up to an additional 20 years on land for storage use), 20 to 30 years for modular buildings and 30 to 50 years for freight railcars and river barges.

The majority of our fleet is comprised of standardized, non-application-specific and highly versatile equipment, thereby enabling us to meet specific customer needs and optimize fleet utilization. In addition to providing leasing revenue, which is our main source of revenues, the quality and the flexible and liquid nature of our asset base allow us to ensure high residual asset value, actively manage our asset base and optimize revenue streams from opportunistic second-hand sales. Finally, because of our limited maintenance capital expenditure requirements, due to the age and quality of our fleet, a significant portion of our capital expenditures is discretionary in nature, which gives us substantial flexibility to adjust or reallocate our investments based on our business needs and the prevailing economic conditions at the time.

We are engaged in an asset-based business, and we use asset-backed financing to invest in equipment and grow the size of our fleet. We limit our total debt to sustainable levels in accordance with the covenants under our asset-backed financings and our internal targets. We have consistently maintained a ratio of total debt to total tangible assets below 67% since 2008, with a ratio of 62.5% as of December 31, 2014 after giving pro forma effect to the Refinancing. As of December 31, 2014, after giving pro forma effect to the Refinancing, the total net book value of our unencumbered Productive Assets was €250.9 million.

We are present in end-markets with positive long-term fundamentals

Most of the markets that we address benefit from positive underlying long-term trends. Our markets are mainly driven by worldwide economic growth as well as growth of international trade volumes. Through our geographically diversified operations, we benefit from macroeconomic growth in advanced, developing and emerging economies, which all show favorable prospects according to the International Monetary Fund. In addition, particularly in our Shipping Containers division, we benefit from the growth of international trade volumes. Container leasing remained relatively resilient during the most recent financial crisis despite a downturn in shipping activity which impacted most shipping lines, with global leasing volumes dropping only slightly from approximately 11.6 million TEU in 2008 to approximately 11.1 million TEU in 2009, before rebounding to previously achieved levels the following year. We believe this is due in part to the long-term nature of leasing contracts and to the fact that leasing is an advantageous and flexible operational and financial solution for shipping lines.

Our Modular Buildings division is driven by growth in construction and infrastructure activity. In advanced economies, we anticipate that, following a period of economic downturn, our Modular Buildings division will benefit from a rebound in the overall economy, together with the condition of the housing and infrastructure markets, as well as the shift from traditional construction to modular buildings. In developing and emerging economies, where we have decided to focus our Modular Buildings division, private and public construction and infrastructure development have grown significantly in recent years and are expected to continue to grow due to a need for new infrastructure and housing in these regions. Given the current equipment utilization rates of our existing asset base, we believe we will be able to meet the projected rebound in demand for modular buildings without having to increase our level of capital expenditure.

We also believe that our Freight Railcars division will benefit from an improvement in market conditions. Following the economic slowdown in 2008 and 2009, demand for new equipment decreased sharply, which left a legacy of overcapacity in the fleets of railcar leasing companies, including our company. However, market conditions have begun to improve in Europe, and we believe they will continue to do so. Indeed, in late 2013, we signed a contract with Volkswagen to lease freight railcars for the transport of vehicles for six years, with renewable terms. Following the signature of this contract, we ordered approximately €20.0 million worth of railcars for use under the lease and began taking delivery of these new railcars in early 2015. The growth of the European freight railcar industry is likely to be further reinforced by the structural mismatch between, on the one hand, railcar replacement needs due to existing fleets' age and, on the other hand, a limited railcar production capacity due to the reduction in manufacturing that took place as a result of the economic downturn. We believe these factors will increase utilization rates and favor lessors like us, who have younger fleets. Our European fleet of freight railcars had an average age of 9.3 years as of December 31, 2012, which is approximately 16 years younger than the estimated European average as of December 31, 2012.

Finally, our River Barges division's markets are also affected by changes in international trade flows and economic conditions in the countries along the river basins in which we operate. We have sought to focus our efforts in markets where we believe there is likely to be increased growth in demand in the near-term, namely in South America along the Paraná-Paraguay river basins.

We benefit from stable, recurring revenue streams

As a result of the standardized nature and low obsolescence rate of our equipment, we can generally enter into long-term lease agreements, securing long-term recurring income and predictable cash flows. As a result, a large proportion of our leasing revenue is contractually locked in, thereby affording us significant visibility on revenue. As of December 31, 2014, we had €285.9 million of minimum future payments to be received under existing operating leases, of which €110.4 million will be generated over the next year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Undertakings Received Under Non-Cancellable Operating Leases."

Our strong, flexible and liquid asset base, which generates recurring and stable revenue streams, enables us to implement syndication to finance a portion of our fleet under management. We manage rental equipment for third-party investors to whom we have sold the equipment. This enables us to further diversify our business model and to generate additional recurring revenue without incurring most of the business and financial risks and capital expenditures associated with the ownership of equipment. Successful syndications thus also allow us to expand the size of our fleet of rental equipment in order to serve new leasing customers and generate revenue from additional leasing contracts without increasing capital expenditures and incurring additional long-term indebtedness. We receive syndication fees at the beginning of our asset management relationships. Our asset management contracts, which tend to range from 12 to 15 years, provide us with recurring management fees based on the performance of the assets in our portfolio. At the end of the useful life of equipment that is owned by an investor, we are often mandated by the investor to dispose of the asset, thereby providing us with a sales fee, which is another source of revenue.

We are led by an experienced management team

Supported by our skilled board of directors, our senior management has a proven track record of effectively managing our business over the years. Members of our top management are experienced in managing operations through the different economic cycles and each has at least 20 years' experience in the equipment sales and leasing business. Furthermore, each of our four divisions is led by a managing director. Our managing directors have an average of approximately 20 years of experience in their respective industry.

Our management team's accumulated experience is an asset in identifying market dynamics and the right time to invest in a certain class of equipment in order to grow our business. Our managers' long-term relationships with many companies and individuals in the markets where we are present allow them to predict customer needs and identify key trends in our industrial and geographical end-markets. In a business where much of our success depends on providing our customers with what they want, where they want it and when they want it, our managers' ability to analyze market conditions to identify opportunities is critical. We believe that we will be able to continue to capitalize on their experience and their relationships to continue to grow our business and carry out our strategies.

We benefit from the long-term vision and support of our principal shareholders

We benefit from the strong entrepreneurial culture of the WALEWSKI family, which has managed our Group as a family business since the beginning of the 20th century and has developed it into a global business, that we consider to be a leading reference in each of the markets addressed by our four divisions. The WALEWSKI family is our principal shareholder. As of December 31, 2014, members of the WALEWSKI family, including Raphaël and Fabrice WALEWSKI, our Managing Partners, jointly owned approximately 31.1% of our ordinary shares. This is a testament to our shareholders' faith in our Group and demonstrates the alignment of our shareholders' interests with our long-term vision and growth prospects. We believe that our principal shareholders' experience and knowledge of the industry is a key factor in the continuing success of our business.

Our strategy

We intend to leverage our strong business know-how and unique platforms to continue to differentiate ourselves from our competitors and to continue to grow our four divisions. Through the implementation of our strategies, we intend to deleverage by growing our EBITDA while maintaining a stable level of indebtedness. Through our operations initiatives, we intend to pursue growth by significantly increasing the utilization rate of the fleet we own and manage, while maintaining our policy of limited capital expenditures.

Consolidate our leading positions in mature markets

In mature markets such as Europe and the United States, we intend to consolidate our leading positions by continuing to implement a well-structured differentiation strategy for each of our divisions. We believe that differentiation is a key factor to enable us to maintain our broad customer base in highly competitive mature markets.

We intend to continue to distinguish ourselves by further focusing on our ability to understand our customer needs, build long lasting relationships and offer our equipment in the right place, at the right time and at the right price. In our Shipping Containers division, we will achieve this by relying on our deep business know-how, our first-in-class platform and our worldwide presence. In our other divisions, we plan to seek potential synergies between our Shipping Containers division and our other divisions by applying our container-related operational and technical excellence and best practices to further improve the commercial and operational efficiency of our business as a whole.

We also intend to continue to differentiate ourselves from our competitors by providing associated high-quality services to our consumers. In our Shipping Containers and Freight Railcars divisions, we will continue to offer services related to equipment monitoring and the sharing of our customers, data related to our equipment through the Internet, as well as online restitution services. Maintenance services are also an essential element of differentiation from our competitors in the Freight Railcars and the River Barges divisions. In our Modular Buildings division, we will continue to propose additional value-added services such as insurance and facility management.

Improve utilization rates and operating efficiency to increase profitability and cash flow generation

We intend to increase the overall utilization rate of, and the profitability of, our existing fleet and continue to control our costs in order to increase our operating efficiency, improve our operating margins and deleverage. To increase our utilization rates, in particular in the Modular Buildings and Freight Railcars divisions, we plan to implement more aggressive commercial policies in order to expand our customer base. For example, in the Modular Buildings division, we intend to further develop long-term framework agreements with large construction and industrial players, who are significant and recurring users of modular buildings. In parallel, we intend to further strengthen our distribution channels for sales by our Modular Buildings division of equipment from our factory in the Czech Republic by increasing the number of business providers, such as architects and specialized distributors, that can act as our agents. More generally, we are seeking to further expand our commercial networks and strengthen our commercial teams across all divisions.

We have already taken concrete steps to increase our profitability, particularly in our Modular Buildings division, where we closed our factory in France due to reduced demand for new modular construction in that market. We have instead pursued a policy of increased second-hand sales and rentals in the French market in order to leverage our existing fleet. In addition, we have adopted a policy of limiting our Czech and Moroccan factory to producing modular buildings that are covered by a signed rental contract or a new sales contract, rather than producing buildings speculatively that we would add to our standby rental fleet. We believe that the closure of our French factory, coupled with the centralization of our production of modular building units in our factories in Morocco and the Czech Republic, will be key to reducing our production costs, improving our utilization rates and increasing our profitability and cash flows.

We also intend to improve operational efficiency by streamlining our Group across all of our four divisions and standardizing procedures. This will enable our commercial teams to more readily adapt a particular asset to a specific customer need, thereby improving utilization rates. In addition, we intend to continue to centralize our purchasing functions in order to reduce costs, improve quality of our services and increase availability of our assets under management, including through the development of partnerships with our suppliers.

Deleverage through the continued pursuit of a sound financial strategy

We intend to continue our strategy of pursuing growth responsibly while focusing on deleveraging. We intend to maintain a stable level of indebtedness while focusing on growing our EBITDA, resulting in a lower level of leverage for our Group. We believe we will be able to achieve such growth by pursuing initiatives aimed at increasing our utilization rates, seeking out business opportunities in emerging markets and further improving our operational excellence in those markets in which we already have an established presence. We further believe we can continue taking advantage of our proven excellence in syndicating portfolios of equipment in order to control capital expenditure on our Productive Assets and manage our levels of indebtedness. We also aim to continue to optimize our level of investment and pursue sales of non-strategic or non-leased assets as needed in order to generate cash and reduce our indebtedness. We believe our financial strategy has already begun to show results. Our total net debt decreased by €40.5 million from €399.7 million as of December 31, 2013 to €359.2 million as of December 31, 2014, the second consecutive year in which we were able to reduce our net debt.

Accompany the growth of our markets while keeping capital expenditures under control through asset management plans

Our objective is to accompany the growth of our markets and respond to customer demand without incurring large amounts of capital expenditure and debt. While maintaining the overall size of our owned fleet across our four divisions, we intend to transition to a more balanced owned asset portfolio by increasing our investments in shipping containers and river barges. The shift in the composition of our asset base will provide us with a more balanced source of revenues and will allow us to further optimize our asset and geographic mix. This in turn will protect our overall business from severe market conditions that may from time to time affect certain of our divisions.

We plan to expand the fleet that we manage for third-party investors through the further development of our asset management programs. We intend in particular to resume syndication of equipment in our Freight Railcars division and develop syndication of equipment in our River Barges division. The syndication of new asset portfolios to third-party investors will enable us to finance the growth of our fleet, further strengthen our leading positions and develop further economies of scale.

In addition, we believe we are well positioned to meet increased demand for our Modular Buildings division's products and services from our existing well invested fleet of units. We have implemented policies among our Modular Buildings agencies to fully leverage our existing units in order to maximize utilization rates and capture growth in market demand without the need to incur further capital expenditure.

Grow our business in emerging markets

We intend to grow our business by seeking business opportunities in emerging markets. We believe that the most efficient way to expand our business and increase the volume of our operations in emerging markets is to establish partnerships with strong local partners, who know the particularities of the local market, help us to increase our operational capacity and share the financial costs and business risks associated with each project. In this way, we intend to limit any additional indebtedness or capital expenditure related to the pursuit of such new opportunities.

Although we intend to grow in emerging markets in all of our four divisions, we plan to focus our efforts on (i) our River Barges division in South America, where we intend to keep investing to increase our fleet and maintain our leadership position, (ii) our Modular Buildings division in Africa, the Middle East and South America exclusively through export sales from our Czech and Moroccan factories and (iii) our Freight Railcars division in India through our partnership with the leading manufacturer of freight railcars in that country. Our strategy to increase the volume of the operations of our Modular Buildings division will also focus on further improving economies of scale by increasing sales of low-cost products, maintaining a good level of profitability based on increased demand in emerging countries and developing flat-packed modules that would enable us to more easily export equipment into new geographic markets, in particular the Middle East and South America.

* * *

We specialize in the leasing, management and sale of standard, mobile and flexible equipment used for the transportation of goods and modular construction solutions. Specifically we:

- sell new and second-hand equipment;
- lease (through both operating and finance leases) such equipment;
- manage fleets consisting of such equipment that are owned by third-party investors; and
- provide services related to each of these activities.

We operate through four principal divisions, each centered on each of the types of assets that we manage:

- our Shipping Containers division, through which we lease and sell a fleet of standard containers that are used in maritime and overland transport and that we either own or manage for third parties;
- our Modular Buildings division, through which we manufacture, sell and lease modular and prefabricated buildings;
- our Freight Railcars division, through which we lease, sell and maintain a fleet of railcars that are used for freight transportation and that we either own or manage for third parties; and
- our River Barges division, through which we lease and sell barges.

The businesses and markets for each one of these business activities are described in more detail on pages 4 to 15; further information is available in the annual Managing Partners' report on page 96.

The breakdown in revenues for each core business and geographic area is described in the notes to the consolidated financial statements section 20.1 page 70. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on March 13, 2015 is provided in section 28.3 page 183.

1. Shipping Container business

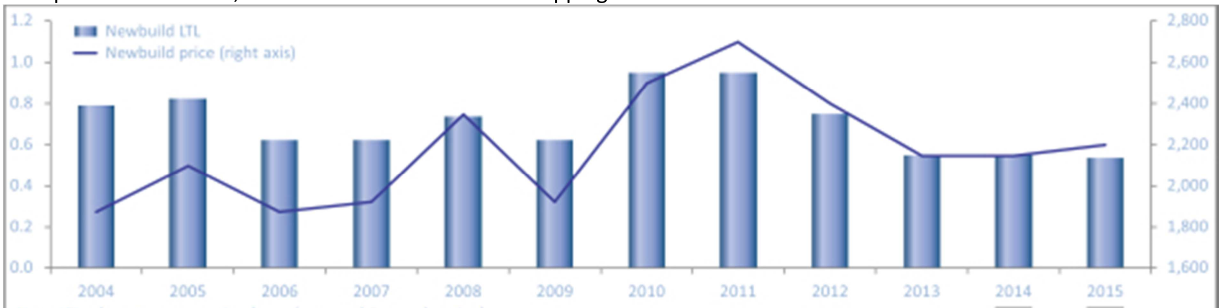
Key Market Characteristics

The shipping container market is by its nature international in scope. As a result, growth in the shipping container industry is tied to international trade volumes.

We believe that demand for shipping containers has been positively affected by the growth in international containerized traffic, with global production being estimated to have grown by 3.7% in 2014 over 2013 alone. Annual production of shipping containers in 2013 was estimated to be approximately 2.8 million TEU. This is part of a trend toward a larger global fleet of shipping containers, having increased from approximately 28 million TEU in 2008 to approximately 34.4 million TEU by the end of 2013.

Shipping lines will typically use a combination of owned containers and leased containers. It is estimated that shipping lines owned approximately 16.5 million TEU, or approximately 48% of the total worldwide shipping container fleet of 34.4 million TEU, as of the end of 2013, whereas 46% of the total worldwide shipping container fleet was managed by leasing companies. According to research conducted by a third-party market analysis firm, the world fleet of shipping containers managed by lessors has grown at a CAGR of 7.5% between 2009 and 2013, while the fleet of containers owned by shipping lines has grown at a CAGR of 3.0% over the same time period. In addition, it is estimated that 53.6% of shipping containers produced in 2013 were ordered by lessors.

In general, lease pricing for new shipping containers is determined largely by the purchase price of a new shipping container. The purchase price can vary due to several factors, including the price of steel, which is the main component of a container, and market demand. The chart below shows the evolution of the price of a new 20-foot standard container and the average market per diem rental rate, in each case in U.S. dollars, of a new container placed on a long-term operating lease, from 2004 through 2013 on a historical basis and through 2015 on an estimated basis.



Note: LTL = long-term operating lease (averaged 5 year duration)

Principal Market Drivers

Globalization leading to increased trade volumes

We believe that trade flows resulting from globalization constitute the main driver of growth in the underlying demand for shipping containers. As a greater proportion of industrial and consumer goods is traded internationally, we believe that it will become increasingly common to outsource labor-intensive processes such as manufacturing away from countries where the cost of labor is high to countries in the developing world with lower wages. This internationalization of the production value chain means that goods will need to travel further afield from their place of manufacture to their ultimate end-markets. Over the past two decades, Asia (China in particular) has served as the main origin of the world's exports, while markets in North America, Europe and Japan have seen net inflows of imported goods. We believe that this general pattern of trade will continue, leading to further increases in the demand for long-distance containerized trade.

To meet the increased demand for maritime cargo transport, shipping companies have added more vessels to their fleets in order to increase the frequency of their ocean crossings. In addition to vessel availability, container availability is key to the successful management of cargo space. Each container ship has a predetermined number of "slots," which correspond to the space required for one TEU aboard the vessel. When a ship arrives at port, the containers onboard are offloaded and are transported onward over land. A shipping company must therefore have containers already available at port for loading onto the vessel once it arrives to take on new cargo for the vessel's onward journey. According to third-party market research, at the end of 2012, a shipping company required approximately 2.0 containers per vessel slot to optimize its operations while minimizing the unproductive time associated with not having a ready source of new containers at each port. This ratio is forecast to remain relatively unchanged through 2015.

Increased shipping times leading to increased demand for shipping containers

Lengthier shipping times can have a positive effect on the demand for shipping containers, as it requires shipping companies to have access to a larger fleet of containers than what would have been necessary had turnaround times been more rapid. Two relatively recent developments have led to shipping lines moving goods more slowly than they have in the past. First, the trend towards ever larger shipping vessels has meant that they are not able to physically pass through the Panama Canal or the Suez Canal and are thus forced to round the Cape of Good Hope or Cape Horn rather than take a more a direct route for intercontinental journeys. Further, even if vessels can pass through the canals, there are significant charges imposed for their use, which can negate whatever cost advantage that may result from reduced shipping time. Second, shipping line companies have been purposely operating their ships at significantly less than their maximum speed, a practice known as slow or extra-slow steaming, in order to save on fuel costs, although this practice may become less common if fuel prices continue on their downward trend. All of these factors have resulted in more time elapsing during a container's round-trip between its port of origin and its port of destination. If a shipping company were to experience a spike in demand for shipments while its containers are still away from port onboard a slower-moving ship and on a longer journey, it would need access to more containers to meet that demand.

Shift to increased container leasing versus ownership

We believe that the growth in lessor-managed shipping containers is part of a larger trend away from shipping line-owned containers. The chart below shows the development of the worldwide container fleet by owner category, expressed in TEU, and the global share represented by lessors, from 2002 through 2015.

* Majority owned by shipping companies

Container leasing remained relatively resilient during the most recent financial crisis despite a downturn in shipping activity which impacted most shipping lines, with global leasing volumes dropping only slightly from approximately 11.6 million TEU in 2008 to approximately 11.1 million TEU in 2009, before rebounding to previously reached levels the following year whereas shipping lines activities dramatically dropped. We believe this is due in part to the fact that leasing is advantageous to shipping lines for both operational and financial reasons. Because export volumes are subject to a host of different factors, it can be difficult for shipping lines to predict accurately their container requirements at different ports. Leasing allows shipping lines to lower their capital expenditures and to adjust their container fleets to match seasonal variation and short-term peaks in demand. The availability of a fleet of containers for lease at strategic ports around the world reduces the need for a shipping line to maintain excess container capacity and therefore reduces its capital expenditures and preserves cash. We believe that, in the wake of the global economic slowdown, carriers are now focusing their capital expenditures on their core assets, namely ships and terminals. Shipping lines can rely on container lessors for a long-term supply of assets at a fixed rate that reflects the benefits of scale available to lessors as purchasers of containers. Additionally, lessors are able to provide lessees with a variety of other value-added attractive services, such as sale and leaseback transactions and/or finance leasing, both of which help shipping lines manage their balance sheets while effectively outsourcing to lessors the management of the disposal of their used containers.

Competition

The shipping container leasing industry is highly consolidated, with the top ten container lessors owning approximately 88.0% of the world container fleet in 2013, according to a report by a third-party market research firm. In parallel, the shipping industry itself has been consolidating for a number of years and further consolidation is expected, which could increase the portion of revenues that come from the largest shipping company customers. These two dynamics combine to create a highly competitive environment for lessors of shipping containers. In such a highly concentrated market, the key competitive advantage is to have a strong network and platform in order to ensure that the right asset is available at the right time, in the right place and at the right price. In addition, shipping lines allocate their supplies over a number of lessors to reduce concentration risk issues.

Our Shipping Containers division's key competitors include Textainer Group, Triton Container, TAL International, Florens Container Leasing, SeaCube Container Leasing, Seaco, CAI International and Cronos Group.

General presentation of the business

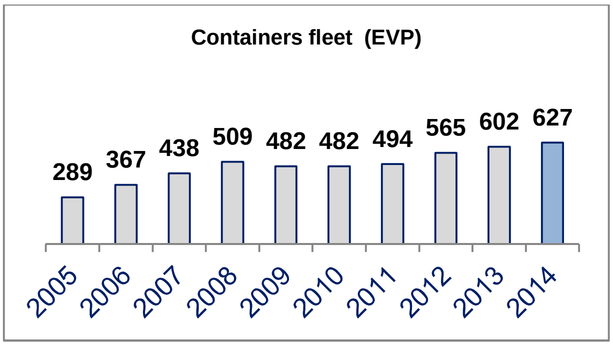
We manage a fleet of standard shipping containers that we own or manage on behalf of third-party investors. Additionally, we sell lightly used or second-hand shipping containers for primarily non-maritime shipping use. Based on the information available from other publicly listed companies, we believe that we are the third largest asset manager of shipping containers in the world and the largest manager of shipping containers in continental Europe. According to a third-party market research firm, we are the ninth largest lessor of shipping containers in the world and the leading lessor in continental Europe based on the size of our fleet as of December 31, 2014. Our Shipping Containers division has offices and/or representatives in 12 countries around the world.

Shipping containers are highly standard, and therefore highly liquid, equipment. Containers are designed and built to meet norms set forth by the International Organization for Standardization ("ISO") and the World Customs Organization ("WCO"), among other international organizations. The industry-standard measurement unit is the Twenty-Foot Equivalent Unit ("TEU"), which compares the length of a container to a standard 20-foot container. For example, a 20-foot container is equivalent to one TEU and a 40-foot container is equivalent to two TEU. Each container is identified by a unique seven-digit number that is registered with the Bureau International des Containers et du Transport Intermodal, a non-governmental organization that allocates codes to each container owner or operating company. These numbers, which are on a nameplate affixed to the doors of the container, enable the identification of the owner and the manufacturer of the container and the container's safe passage through customs under the mandate of the World Customs Organization.

For the year ended December 31, 2014, our Shipping Containers division accounted for €215.9 million, or 57.0%, of our revenue and €6.4 million, or 15.9%, of our EBITDA. The container leasing and sales businesses are denominated in U.S. dollars, and both acquisitions and leases are made in U.S. dollars. We believe that the recent increase in value of the U.S. dollar with respect to the Euro, if sustained, will have a positive impact on the contribution of the Shipping Containers division to the revenue and assets of our Group going forward.

Our Shipping Containers Fleet

As of December 31, 2014, we had a shipping container fleet of 627,108 TEU. The gross book value of our fleet was approximately €889.1 million as of December 31, 2014, of which 93.2% consisted of shipping containers that we managed on behalf of third-party investors. The chart below shows the growth of our fleet of shipping containers from December 31, 2005 through December 31, 2014, in thousands of TEU.



The average utilization rate for our shipping container fleet was approximately 90.5% for the year ended December 31, 2014.

The majority of our fleet comprises dry freight standard containers. Standard dry freight containers are typically eight feet wide, come in lengths of 20 feet, 40 feet or 45 feet and are either eight-and-a-half feet or nine-and-a-half feet tall. These types of containers are constructed of steel sides, a roof, an end panel on one end and a set of doors on the other end, a wooden floor and a steel undercarriage. They are used to carry general cargo, such as manufactured component parts, consumer staples, electronics and apparel. As of December 31, 2014, the average age of our shipping container fleet was 7.9 years. Our fleet is composed of containers acquired new, with a long useful lease period and assets acquired used from shipping lines.

Containers tend to have high residual values even after their usefulness in the maritime context has ended, since they can be adapted to a wide variety of uses onshore, such as for storage or refuse. Shipping containers typically have useful lives of up to 15 years at sea and up to an additional 20 years of useful life on land. New containers are typically leased under long-term leases, followed by a series of shorter-term leases of used containers. Our ability to re-lease a container at the end of its first lease depends on our Shipping Containers team's market expertise and our global platform to ensure that containers that are off-lease are positioned in areas of high demand so that we are able to provide customers with products that meet their needs when and where they arise.

Our Shipping Containers Products and Services

Our Shipping Containers division offers three principal types of services: leasing and related services, asset management and trading and sales, for our own containers and on behalf of third-party investors.

Leasing and related services

We offer a range of different types of leasing solutions for shipping companies. Leasing and related services accounted for €90.4 million, or 41.9%, of our overall Shipping Containers division revenue for the year ended December 31, 2014.

- Long-term leases are designed for customers seeking to secure a steady supply of containers at a steady price over the long-term. Lessees under these contracts undertake to lease a fixed number of containers for the duration of the lease at a fixed per diem rate. The initial contractual term of these leases generally varies from three to five years, although in certain cases it could be for as long as seven years. As of December 31, 2014, the average duration of our long-term leases, including renewals and extensions, was approximately 6.4 years. They are often renewed at the end of their initial term. Pricing is on a per diem basis and fixed for the duration of the lease. Our long-term lessees are typically responsible for the repair and maintenance of the shipping containers that they lease. Long-term leases accounted for approximately 69% of our Shipping Containers leasing revenue for the year ended December 31, 2014.

- Master leases are arrangements with customers that set up a flexible framework agreement whereby the customer may lease shipping containers on demand, with no minimum leasing period. These lease arrangements are designed to provide our customers with added flexibility. The terms and conditions set forth in a master lease are valid for a set period, typically one year, and provide the lessee with a more flexible arrangement than a long-term lease. For example, during the term of the master lease, the lessee may lease a container for a period as short as one day. Furthermore, the lessee may make drop-offs at a wider choice of locations. To compensate for this flexibility, the per diem rate, which is fixed for the term of the lease, is typically higher for master leases than they are for long-term leases. Master leases are predominantly used by lessees to satisfy container needs within a single region and less so for intercontinental needs. A master lease may be tacitly renewed at the end of its term. Master leases accounted for approximately 16% of our Shipping Containers leasing revenue for the year ended December 31, 2014.

- Finance leases are designed for customers that want to secure a steady supply of containers and finance their purchase in a manner distinct from traditional bank lending. These leases can range in duration from three to ten years. At the end of the lease and upon making a final balloon payment, the customer becomes the owner of the shipping container. Finance leases accounted for less than 1% of our Shipping Containers leasing revenue for the year ended December 31, 2014. In connection with our finance leases, we generally engage in back-to-back transactions with financial institutions to manage our exposure to a client's credit risk.

- One-way leases are spot leases provided on a one-time-only basis to customers. We seek out opportunities to provide a one-way lease when it is advantageous to us to reposition a container to another port. One-way leases accounted for less than 1% of our Shipping Containers leasing revenue for the year ended December 31, 2014.

- Sale and leaseback arrangements accounted for approximately 14% of our Shipping Container leasing revenue for the year ended December 31, 2014. For a description of our sale and leaseback arrangements see "—Shipping Containers Fleet Procurement."

Generally, our shipping container lessees are responsible for the maintenance of the containers they have leased, as well as for their insurance. We typically are not liable for any loss, damage to property (including cargo) owned by the lessee or third parties arising out of the possession or use of a leased container. Further, contracts may not be terminated by the lessee unilaterally during the term of the lease.

Asset Management

We provide portfolio management for private companies and other institutional investors in shipping containers. Through our dedicated asset management team, we identify and analyze investor objectives such as length of investment period, cost of financing, performance metrics, leverage level, dividend policy and asset and customer diversification preferences. The key metric for our investors is return on investment ("ROI"). When acquiring containers, our Shipping Container management team assembles a report that sets forth this analysis and the expected ROI levels to be derived from the shipment of containers. We are mandated by our investors to build for them a portfolio of assets, which can comprise new shipping containers, existing containers in our rental fleet or containers subject to sale and leaseback arrangements or any combination thereof, that meet the investor's stated ROI objectives.

We enter into long-term management contracts with our investors, typically for a term of 12 to 15 years. Although we generally have already leased the containers to various lessees at the time we sell the portfolio to investors, generating a foreseeable cash flow stream for investors, we typically do not guarantee rental rates or a rate of return on the portfolio to our investors.

During the life of the asset management contract, we manage the subject portfolio in the same manner that we manage our owned assets (that is, as though the assets in the subject portfolio were our own assets rather than belonging to investors). At the inception of the contract, we receive a syndication fee that typically ranges from 2% to 5% of the book value of the containers being syndicated. During the leasing life of the container, we receive management fees of typically 5% to 10% of gross rental revenue. We receive incentive fees throughout the life of the contract upon the achievement of targeted ROI milestones. Upon an investor's divestment, we either repackage the portfolio for syndication to a new investor, sell the underlying assets on the second-hand market, or repurchase the portfolio for our own benefit. If we sell the assets at the investor's request, we typically earn a sales fee of typically between 5% and 15% of the sale price.

Asset pooling is a means of mutualizing both the risks and rewards of ownership of our rental fleet. We include our owned assets and third-party owned assets of the same type and age in the same pool, in order to ensure our investors that our interests are aligned with theirs. Through this commingling, we are exposed to the danger of non-utilization of our assets to the same extent as our investors. In this way, our investors can take comfort that we are incentivized to manage syndicated equipment and manage our owned fleet in a similar manner.

We are able to track the performance of our assets under management through our proprietary fleet management platform. Our platform allows us to provide monthly reports to our investors on the status of our fleet, rental rates per type of asset, utilization rate, operating expenses and revenues attributable to an asset, to a lessee or to an investor. It also provides us with sophisticated tools that enable us to create "pools" of similar assets that allow the costs and revenues attributable to a particular unit to be distributed among various participants in a pool.

As of December 31, 2014, our assets under management for third parties had a gross book value of approximately €829.1 million, accounting for 93.2% of the gross book value of our fleet of shipping containers, up from 89.4% as of December 31, 2012.

Our shipping container investors are a limited number of private companies or institutional investors. During the years ended December 31, 2012, 2013 and 2014, 80.9%, 42.9% and 68.3%, respectively, of our shipping container revenue came from a single investor, which itself is a portfolio manager for thousands of individual investors and for whom we have engaged in asset management for 20 years.

Trading and Sales

We sell second-hand containers from our fleet that have reached the end of their useful life in the maritime shipping industry, as part of our fleet renewal lifecycle or when we believe it is financially attractive for us to do so, taking into account the location, sale price, cost of repair and possible repositioning expenses. To a limited extent, we sell containers for use in applications other than maritime shipping. Our sales customers include Lotus, CMA CGM, Trico, Arnal and Conical, among others. Sales of equipment, which includes sales of syndicated portfolios, accounted for 58.1% of our Shipping Containers division revenue for the year ended December 31, 2014. Our experienced Shipping Containers management team enables us to actively manage our fleet and seize second-hand sales opportunities as they arise.

Shipping Containers Fleet Procurement

Consistent with market practice for all container lessors and the majority of shipping lines, we rely on third-party manufacturers to supply the shipping containers that make up our fleet. Production of shipping containers is highly concentrated. We estimate that three manufacturers serve 80% of worldwide demand, with one manufacturer, CIMC, accounting for approximately 50% of the global production alone, as of 2007.

Because of the dynamics of the shipping container industry and the relatively short lead time with which customers expect to be able to take delivery of a container once they have signed a lease agreement, we seek to have a supply of new containers available for immediate leasing on demand. As a result, in addition to the purchase of new containers in the ordinary course of business to replace aging assets, we also purchase new containers for our rental fleet to meet expected increases in customer demand. We have a policy limiting such non-replacement purchases to a cap of $25 million outstanding at any given time. Otherwise, we only purchase new assets if we have a leasing contract or syndication agreement in place.

We monitor the price of containers in order to purchase new containers opportunistically when we consider prices are attractive. The price of containers depends largely on the price of steel, which is the major component used in their manufacture. The price at which we lease our containers is strongly correlated with the price at which we have purchased the containers, in order to optimize the return on our investment. Nevertheless, because we regularly purchase containers in order to have a sufficient stock of containers ready to be leased upon customer demand, any effect of periodic fluctuations in container prices on our activity tends to level out with time.

The procurement cycle for a container is generally short. Manufacturers are usually able to provide us with a quote for containers meeting our specifications within two days, regardless of the size of our order. We negotiate terms such as price, the location and timing for delivery and payment terms. We benchmark the prices quoted with our general market intelligence, prevailing rental rates, historical price statistics and a cost analysis (based on steel prices at the time of the order as well as the exchange rate of the U.S. dollar to the Chinese Yuan). If we are able to negotiate satisfactory terms, we can take delivery of our order anywhere from one to three months after signing a purchase agreement. Production times can vary due to a number of factors, including the size of the order itself, general demand volume and the time of year.

On occasion, we enter into sale and leaseback arrangements, through which we purchase used containers from our customers and lease the containers back to them, thereby enabling our customers to continue using a portfolio of shipping containers while no longer carrying the containers on their balance sheets. Such arrangements also allow customers to effectively outsource the disposal of used containers to lessors, which tend to have a wider network of outlets for the sales of such containers. Lessees continue to be responsible for repair and maintenance of the containers they lease back. Sale and leaseback arrangements accounted for approximately 14% of our Shipping Containers leasing revenue for the year ended December 31, 2014.

Financing Our Shipping Containers Fleet

We purchase containers for use in our rental fleet for the purpose of either owning them on our balance sheet or syndicating them to third-party investors for whom we manage such assets. As of December 31, 2014, 93.2% of the gross book value of our container fleet was owned by third-party investors and 6.7% was owned by our Group. When we purchase containers for our owned equipment fleet, we finance such purchases through drawings under our revolving credit lines or purchase it with cash on hand.

When we purchase containers for syndication, on the other hand, the financing process takes place in multiple steps. We are party to our TCF Warehouse Facility, which is an asset-based revolving facility upon which we can draw against the value of our shipping containers. The TCF Warehouse Facility sets out several eligibility criteria for shipping containers that may be financed through a borrowing thereunder, including limitations based on, among other things, a maximum weighted average age of the containers financed thereunder, a minimum percentage of such containers that are on lease, the minimum duration of such leases and maximum concentrations of lessees of such containers. Notably, at least 90% of the total net book value of the containers financed thereunder must be on lease. As a result, we typically first either incur debt on our balance sheet to purchase a container for syndication through a temporary drawing under our revolving credit lines or purchase it with cash on hand. Once the new container is rented out, we then refinance the container through a drawing under our dedicated TCF Warehouse Facility in anticipation of syndicating the container to a third-party investor, in effect a type of short-term bridge financing. The container will remain subject to the TCF Warehouse Facility until such time as we syndicate it to a third-party investor. Once the container is sold, the proceeds of the sale are used to repay the drawing under the TCF Warehouse Facility. For a description of our principal Shipping Container division financing arrangements, see "Description of Certain Financing Arrangements."

Shipping Containers Fleet Management

We believe that our ability to offer containers at the right place at the right time and at the right price is key to our success as a lessor. One of the main reasons why a shipping company may choose to lease rather than buy their own containers is to satisfy an imbalance of supply at key ports around the world, as the availability of a fleet of containers for lease at strategic ports around the world reduces the need for a shipping line to maintain excess container capacity and therefore reduces its capital expenditures and preserve cash.

To that end, we have developed a network of third-party owned and operated depots worldwide from which we can meet our customers' needs. As of December 31, 2014, we had 246 such depots serving our Shipping Containers division in approximately 40 countries worldwide. The depots, which generally consist of a staging area, storage space for our containers and an area in which maintenance can be carried out, serve as a base from which we can deliver containers to a customer as well as a drop-off point for containers at the end of a lease. These depots are located close to ports, and at larger ports, we may have more than one depot.

We have a fleet management software platform that allows our master lease customers to indicate when and where they will need to pick up a container for lease, and allows all of our leasing customers to indicate when and where they will be returning a container. This system allows us to ensure that we are able to match our container fleet supply to demand at ports around the world. Upon the return of a container, our system automatically routes the container to the depot at that port, where it is evaluated. We are also able to effect repairs at our depots on returned containers to ensure that they are suitable for reuse. Any such repairs at the end of a lease are done at the expense of the lessee.

Shipping Containers Marketing

Our primary means of marketing our services is through our periodic participation in requests for tenders from shipping companies. In general, shipping companies put out calls for tenders in the fourth quarter of every year to address their anticipated container needs for the first half of the following year, and then again in May or June to fulfill their total requirements for the remainder of the year. Shipping companies will specify the number and type of containers they will need, and where they will need them. Our decision to tender is based on our existing stock levels and our ability to purchase containers (if needed) to meet the company's requirements.

The bidding and contract negotiation process generally takes one to two months. We negotiate terms such as price, payment terms, the duration of the build-up period which is the period of time given to a customer to take delivery of its containers, the duration of the build-down period which is the period of time given to a customer to return its containers, handling charges, the replacement value of a lost container, the depreciation rate on the value of each container and the list of locations where the customer can return its containers at the end of the lease.

Key Shipping Containers Customers

We lease to numerous shipping companies, including the 25 largest shipping companies in the world, many of which have a history of leasing from us that dates back over 20 years. These customers include Evergreen, Mediterranean Shipping Company, Hyundai Merchant Marine and NOL (each of which having been a customer for 29 years), CMA CGM, Yang Ming and Hanjin Shipping (each having been a customer for 28 years), Hapag-Lloyd Container Line (for 27 years), K Line (for 25 years), Maersk (for 23 years), CSAV (for 19 years), Cosco (for 17 years), China Shipping (for 10 years) and MOL and ZIM (for 9 years). During the year ended December 31, 2014, no single customer represented more than approximately 25.8% of our Shipping Containers division leasing revenue. Our ten largest customers (excluding investors in our asset management programs) represented 83.2% of our Shipping Containers division leasing revenue for the year ended December 31, 2014.

2. Modular Building business

Key Market Characteristics

The modular buildings industry is highly local in nature for a number of reasons. First, modular buildings are bulky and therefore costly to transport over long distances. As a result, manufacturers and lessors of modular buildings must be located wherever they wish to meet local demand to avoid incurring time delays and costs associated with transport. Second, building requirements and tastes can vary significantly from one region to another, and offerings must be tailored to meet local needs and regulatory requirements. As a result, the competitive landscape is highly fragmented, although the advent of flat-pack modular construction, through which up to 12 modules can be shipped in a single shipping container, is helping to reduce the transportation costs and may help to reduce the regional nature of the market going forward as providers find it more economical to cater to a wider area.

Our Modular Buildings division is established mainly in Europe and is targeted to customers in three sector-based end-markets: the construction sector, the public sector and the industrial and services sector. We are particularly active in France, Germany and Poland. We also have entered the market in Africa, and one of our strategic goals is to grow our presence in the African modular buildings market. The dynamics of the modular buildings industry vary by region. Generally speaking, the modular construction industry in Europe and in emerging markets, such as Africa and Latin America, is fairly integrated, with leasing companies that also manufacture their own units. In the United States, on the other hand, where the modular buildings market is more mature, the market is more fragmented, with participants specializing in different stages of the value chain (such as design, manufacture, distribution, leasing and sales).

France

According to a 2013 report by a third-party market analysis firm, the French modular construction market was estimated to be worth approximately €1.0 billion in revenue (from leasing and from sales), of which the industry and services sector accounted for 40.4%, the construction sector represented 33.3% and the public sector represented 26.3%.

We believe that despite economic uncertainty and slow recovery from the worldwide economic crisis in France, demand for modular buildings across each of our different sector end-markets will remain steady. According to third-party market research, it is estimated that the French industry and services sector cut back on business investment by approximately 2.8% in 2013 due to a lack of visibility as to prospects for economic improvement and budgetary cutbacks. Similarly, construction of new buildings has been slowed not only by weak economic growth but also by increased regulatory burdens that have been partially responsible for construction costs increasing at an average rate of 3.5% per year from 2005 to 2012, despite a structural imbalance in supply. However, large projects such as stadiums and infrastructure spending have sustained activity levels. Due to this mixed outlook, third-party estimates indicate that modular construction in France would contract by 4.0% in 2013 before increasing by 3.0% in 2014. We further believe that the current structural housing deficit in France will lead to an increase in construction activity thereby increasing demand for use of modular buildings at construction sites.

Germany

According to management estimates, approximately 200,000 modular buildings were leased in Germany in 2013, and German modular construction sales in our customer end-markets approximately €480 million.

We believe that demand in Germany for modular buildings will come from all three of the principal sector end-markets of the modular construction industry, driven by positive macroeconomic fundamentals. According to the German Statistics Office, GDP increased from €2.7 trillion in 2011 to €2.8 trillion in 2013. The German Ministry of the Economy forecasts that GDP grew by 1.8% in 2014 and will grow by a further 2.0% in 2015. Demand from the industry and services sector is expected to come from large projects such as nuclear power plant decommissioning, retrofitting and construction of fossil fuel plants. Additionally, growth from the construction sector is expected to be driven by a need for new residential, commercial and industrial buildings. We also believe that the German public sector will also continue to require new modular construction to meet the need for new schools and classrooms, as well as housing for the increasing numbers of refugees seeking residence in Germany.

Poland

The Polish modular construction market is estimated by management to be worth approximately €50 million in leasing and is less mature in terms of sales.

We believe that Poland presents an attractive market for the modular buildings industry due to favorable macroeconomic conditions benefiting our key customer end-markets. According to Eurostat, Polish GDP has increased steadily from €314.6 billion in 2009 to €395.9 billion in 2013. Market research shows that the Polish general construction industry increased in value at a compound annual growth rate of 2.2% over this same period. Construction in Poland is expected to grow at a compound annual growth rate of 3.5% from 2014 to 2018, supported by housing starts, construction of schools, and rail and energy infrastructure expansion. We believe that this growth in the construction sector will lead to increased demand for modular buildings for use at construction sites. Additionally, Poland has experienced a significant improvement in the condition of the construction industry, which was supported by growth of 6.0% during the first half of 2014.

Africa

We believe that a number of attractive market fundamentals make Africa a prime geographic market for modular buildings in a variety of industrial and public sector end-markets. For example, as oil and mining sites continue to proliferate, there will be sustained need for modular buildings to be used as on-site facilities for workers and supervisors. In addition to oil and mining, Africa generally has significant need for infrastructure, such as schools and hospitals, which we also believe will provide demand for modular buildings for use as such, or for use at construction sites. We believe that modular buildings are particularly well suited to African markets, where logistical difficulties and the cost and time constraints of traditional methods of construction can be prohibitive. Furthermore, the African modular construction market has the particularity of being based uniquely on the sale of modular buildings, as opposed to all other geographies where we are present, where we also lease modular buildings to our customers.

Principal Market Drivers

Drivers affecting demand for modular buildings in the industrial and services sector

Modular construction for the industrial and services sector can be very different. For example, customers in this sector may seek to use modular buildings for long-term use such as storage space, office space and company restaurants or cafeterias. Customers may also look to modular construction for uses of a more temporary nature, such as for stands at trade shows, media facilities at events, temporary sales offices or exhibition space.

Demand from the industrial and services sector is closely linked to general macroeconomic conditions, such as growth in GDP, industrial output, consumer demand, mining and resources activity. The worldwide economic slowdown had an overall effect on factors such as commercial office vacancy rates and rental costs as well as employment levels, which are particularly pertinent to the industrial and services sector.

Drivers affecting demand for modular buildings in the construction sector

Modular buildings are typically used by customers in the construction industry for on-site facilities, such as offices or cloakrooms. Because of the more temporary nature of these uses, we believe that the majority of construction customers prefer to rent modular buildings than to purchase them outright. Certain construction companies in Europe own a limited fleet of modular buildings, and any excess demand is satisfied through rentals.

Much like the industry sector, the construction sector is also very sensitive to general economic conditions. Non-residential construction levels depend significantly on factors such as GDP growth and perceived demand for office and commercial space. Additionally, demand for residential construction can be driven both by purely economic factors such as purchasing power of potential homeowners or capacity to pay rent on new construction, as well as demographic factors such as population growth or aging and patterns in domestic movement and immigration.

Drivers affecting demand for modular buildings in the public sector

The public sector typically comprises local and regional governments that have responsibility for education, healthcare and social housing. These customers resort to use modular buildings for use as classrooms, clinic/hospital space, social housing or emergency housing (such as in the aftermath of a natural disaster or to house refugees).

Demand in the public sector is tied to several factors, including high levels of regulation covering matters from the tendering process to construction norms. Public sector demand is also highly dependent on government and local investment policies and budgetary constraints, which have become more pronounced when macroeconomic indicators are weak.

Shift from traditional construction to modular buildings

Modular buildings can and are substituted for traditionally constructed buildings for a variety of uses, including as classrooms and office space. We believe that the advantages of modular buildings are leading to a shift away from traditional construction. First, modular buildings can be installed rapidly, allowing large construction projects to be fulfilled within a short period of time. Typically, it can take only eight to ten weeks to deliver several thousand square meters of space. Further, we estimate that modular construction projects can be delivered at prices that are lower than those of traditional buildings, thereby making them a more cost effective choice. Additionally, the pre-fabrication of modular construction units in a controlled environment (rather than on-site construction for traditional buildings) can yield consistent, quality products. Finally, we believe that modular buildings are also uniquely flexible and adaptable to a customer's needs. For example, unlike traditionally constructed buildings, modular space units can be disassembled, transported to a new location and reassembled.

Competition

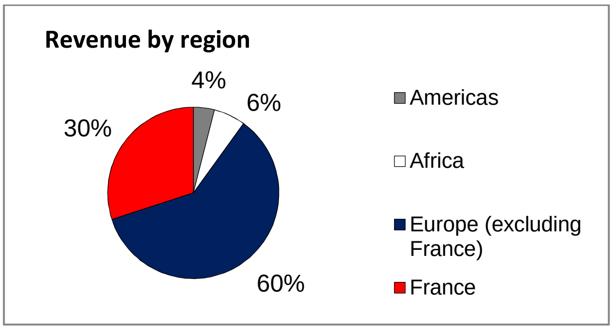
We believe that competition in the modular building industry is highly fragmented, with several local or regional competitors specializing in niche markets. This is in part the result of the high cost of transportation of modular buildings and the need to therefore have depots that are located in proximity to customers. Not all companies have the resources to develop a network of depots that is both concentrated and wide reaching. A key exception to the dominance of smaller, more regionally focused players is Algeco Scotsman, which conducts business in several countries around the world.

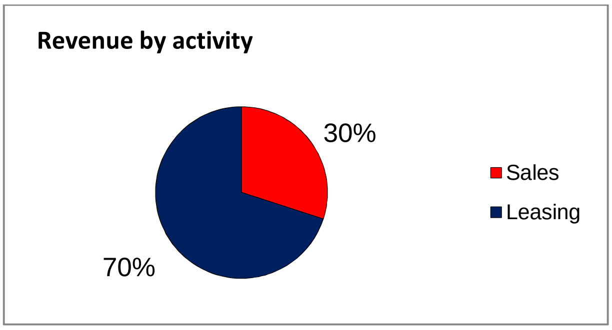
We believe that our Modular Buildings division faces competition from Algeco Scotsman, as well as more local and regional competitors, such as Portakabin, Yves Cougnaud, Loxam, Alho, Ramirent, De Meeuw, Containex and Red Sea.

General presentation of the business

We manufacture, lease and sell modular buildings to customers in a range of different sectors in Europe (primarily France, Germany and Poland, but also the Netherlands, Belgium, Spain, the Czech Republic and Slovakia), the Americas (including the United States, Panama and Brazil) and Africa (including Morocco and Ivory Coast). We believe we are the second largest supplier of modular building solutions in terms of presence in continental Europe with

50,482 units. We supply our addressed markets through our production facilities in the Czech Republic and Morocco, and until 2013 also operated a production facility in France. We serve our customers through a network of branch offices in all countries in which we are present. For the year ended December 31, 2014, our Modular Buildings division accounted for €94.1 million, or 24.9%, of our revenue and €11.5 million, or 28.7%, of our EBITDA. The following is a geographic breakdown of our Modular Building division revenue and by type of service for the year ended December 31, 2014.





Our Modular Buildings Fleet

As of December 31, 2014, our rental fleet of modular buildings consisted of 50,482 units with a gross book value of approximately €356.6 million, of which 8.9% consisted of modular buildings that we managed on behalf of third-party investors. The table below presents the growth of the approximate average number of modular construction units available for rent for the years ended December 31, 2005 to December 31, 2014.

Average fleet available for rent in terms of modular construction units

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
20 719	23 221	26 776	34 037	39 761	44 635	47 795	49 971	51 368	50 820

Modular construction units typically range in size from 2.5 to 4 meters in width and 5 to 20 meters in length, with wooden or steel frames that are mounted on a steel chassis. Modular buildings are structures composed of such units assembled in varying configurations to meet the needs of each customer. A single modular unit can be used on a standalone basis, or combined with others to make larger, more complex structures. Once assembled, modular buildings can be outfitted with materials used in conventional construction and can be equipped with electricity, running water, heating and air conditioning. Modular buildings can be used for a variety of purposes, such as construction site offices, classrooms, temporary and permanent office space, sales offices, utility sheds and social and emergency accommodation.

Modular buildings are long-lived assets, which can be used for 20 to 30 years. The average age of our modular buildings rental fleet as of December 31, 2014 was 7.6 years. The average utilization rate for our modular buildings rental fleet was approximately 64.3% for the year ended December 31, 2014.

Our Modular Buildings Products and Services

Our Modular Buildings division specializes in leasing and providing related services of modular equipment, as well as trading and sales and asset management.

Leasing and related services

We lease modular buildings to customers in the public and private sector for a variety of uses, principally in Europe (primarily France, Germany and Poland, but also the Netherlands, Belgium, Spain, the Czech Republic and Slovakia), the United States, Panama and Morocco. The modular buildings that we lease are chosen by our customers from a predefined catalog of units that can be assembled or physically rearranged to meet a customer's specific needs.

We also provide services related to our leased units, such as transport of the unit from our depot to the customer's site, on-site assembly and disassembly, furniture rental and insurance. We generally subcontract the provision of these services to third parties.

During the year ended December 31, 2014, leasing revenue accounted for €66.3 million, or 70.5% of our Modular Building division revenue.

Most of our modular building leases are short-term contracts (less than 12 months), accounting for 47.8% of our rental fleet as of December 31, 2014. 23.8% of our rental fleet was leased under a lease with an intermediate term of between 12 and 24 months and 28.4% of our rental fleet was under a lease with a term of over 24 months. Leases may be tacitly renewed at the end of their term. Depending on the local business practice of the country in which we lease a unit, we charge a rental fee on a daily or monthly basis. Our leases typically require customers to maintain liability and property insurance covering our units during the lease term and to indemnify us for losses caused by the negligence of the lessee or its employees.

Sales

We manufacture and sell new modular construction units built to our customers' specifications in all of our addressed geographic markets. Sales of new buildings and equipment accounted for €27.8 million, or 29.5%, of our Modular Buildings division revenue during the year ended December 31, 2014. We do not engage in a material amount of syndication in our Modular Buildings division.

To a more limited extent due to the young age of our fleet, we also sell second-hand modular buildings and reconditioned equipment from our leasing fleet in Europe, the United States, Panama and Morocco. Sales of second-hand buildings and equipment accounted for €6.6 million, or 7.1%, of our Modular Buildings division revenue during the year ended December 31, 2014. Sales of second-hand buildings and equipment increased in 2014 as compared to previous years as part of our strategy to adapt the size of our fleet to current market conditions. We intend to continue seeking opportunities to pursue sales of second-hand buildings at favorable prices so as to right-size our fleet while maximizing our potential to realize gains on such sales.

Modular Buildings Manufacturing and Procurement

Unlike in our other divisions, we manufacture most of our Modular Buildings products ourselves. We own and operate two assembly plants that exclusively supply our Modular Buildings division. Our plant in the Czech Republic, which has a production capacity of approximately 4,500 units per year, supplies most of our sales business and our rental fleet requirements in Europe and Latin America. We supply our customers in Africa and the Middle East from our plant in Morocco, which we acquired in 2012, and which has a production capacity of approximately 4,500 units per year. Our plant in Morocco is also the leading producer of modular buildings in Morocco. We used to have a third plant at Mignières, France, where we built modular buildings that were primarily destined for the French market. In 2013, in the context of our ongoing cost optimization initiatives, we decided to close the plant to adapt to current market conditions. We transformed the plant into an agency for our Modular Buildings division for the Île-de-France region in France.

To a more limited extent, we purchase new modular buildings for sale in markets where it is either prohibitively expensive to deliver a building from one of our plants or where we are unable to meet specific norms required for the manufacture of modular buildings.

We generally only produce or purchase a modular building for sale in response to a customer's purchase order. In addition, we periodically produce or purchase modular buildings for our leasing fleet to replace assets at the end of their useful life.

Financing Our Modular Buildings Fleet

Because we manufacture a significant portion of the fleet that we use for rentals in our Modular Buildings division, our reliance on external purchase financing is more limited than for our other divisions. When we do purchase units from other manufacturers, we typically do so through the incurrence of debt under equipment financing term loans or through financial leases.

Modular Buildings Raw Materials

We rely on third-party suppliers to furnish us with raw materials necessary for the manufacture of our modular buildings products. The primary raw material that we use in the construction of our products is steel. We manage steel purchases through our centralized Group-level purchasing department. During the year ended December 31, 2014, no single supplier represented more than 7.6% of our total purchasing costs.

Modular Buildings Fleet Maintenance

We typically defer general maintenance, such as cleaning and repainting, on our modular unit rental fleet until a unit is to be re-leased. More extensive maintenance and refurbishment can take place for units that have been in service for longer periods of time or to remove customizations that are no longer required or desirable for the re-leasing of the unit.

Modular Buildings Sales and Marketing

We believe that proximity to our modular buildings customers is key to our success. The modular buildings industry is local in nature, due in part to the high cost of transportation of modular buildings, as well as regional and national specificities in building tastes and uses. As of December 31, 2014, we had a network of 30 agencies in France, Germany, the Netherlands, Belgium, Spain, the Czech Republic, Poland, Slovakia, Morocco, Ivory Coast, the United States, Brazil and Panama, through which we market our modular buildings. We generally maintain storage depots adjacent to each of these agencies.

Our public sector modular building leasing contracts, as well as our larger private sector leasing contracts, are typically concluded through a tender offer process that can last approximately three months from the submission of a bid to the negotiation and signing of a contract. For smaller contracts, we market our modular buildings products through direct efforts, such as brochures and advertisements, as well as word of mouth.

Key Modular Buildings Customers

Our Modular Buildings division caters to a wide variety of customers in both the public and the private sector. As of December 31, 2014, we were party to approximately 4,825 modular building leasing contracts.

Our key public sector leasing customers include various French regional councils, the French Ministry of Defense, the city governments of Berlin and Hamburg in Germany, and Warsaw Chopin Airport in Poland. Our key private sector leasing customers include Total, GDF Suez, Alstom, Aventis, Safran and EDF in France; E.ON, BMW, Volkswagen, RWE and Siemens in Germany; and Saipem, Foster Wheeler and OCP in our other key markets. We also have a number of key leasing customers in the construction industry, including Kaufman & Broad and Spie Batignolles in France; BMTI, Strabag and Hochtief in Germany; and Budimex, Skanska and SGTM in our other key markets.

During the year ended December 31, 2014, no single customer represented more than 2.7% of our Modular Buildings division revenue. Our ten largest customers, excluding third-party investors, represented 14.7% of our Modular Buildings division revenue for the same time period.

3. Freight Railcar business

Key Market Characteristics

Generally speaking, market dynamics in the freight railcar industry vary significantly from one region to another. We address two geographical markets with distinct characteristics and perspectives: continental Europe and the United States.

Europe

The European market for freight railcar leasing was estimated to be worth approximately €690.0 million in 2012. The European wagon leasing market has a total fleet of approximately 860,000 railcars with an average age of approximately 25 years, as of 2012, according to a third-party market research firm. The European market was particularly affected by the global economic crisis, and has been recovering slowly. According to a report by a third-party market research firm, the European rail freight market should grow at a CAGR of approximately 1.3% over the next 5 years, due in part to liberalization of the market and the implementation of policies designed to promote relatively environmentally friendly forms of transport. Despite the low rate of growth in this market, there will still be a need to replace aging fleets of railcars to serve existing demand. Due to lowered production levels in recent years and the reduction of manufacturing capacity due to the economic downturn in Europe, we believe that meeting replacement demand will be a challenge for European market participants, and this situation will favor those with younger fleets. See "—Principal Market Drivers—Mismatch between production capacity and replacement needs."

United States

According to third-party research, the U.S. market for freight railcar leasing was estimated to be worth approximately €3.2 billion in 2012. The U.S. freight railcar leasing market has a total fleet of approximately 1,850,000 railcars with an average age of approximately 20 years. We believe that the average younger age of the U.S. freight railcar fleet as compared with that of the European fleet is due to the historically more liberalized U.S. market, which has encouraged investment in freight railcar assets. Although transport demand was affected by the economic crisis, the U.S. market has recovered relatively quickly since 2010, especially in applications linked to the energy sector (such as shale gas and coal), agricultural products and the chemicals sectors.

Principal Market Drivers

Macroeconomic conditions affecting demand for freight railcars

The demand for freight railcars is closely tied to the underlying factors affecting demand for rail transport, which depends on developments in global and regional trade. Levels of freight railcar leasing are therefore subject to variation based on a host of macroeconomic factors such as industrial output and consumer demand. We believe that as these fundamental factors improve, so will the demand for freight cargo transport.

Rail transport competes directly with other means of overland and inland freight transportation, namely trucking. According to Eurostat, railways accounted for 18.2% of all inland freight transport in the European Union in 2012, whereas road traffic accounted for 75.1%. This split has remained steady since 2000. In the United States, railways accounted for approximately 37.0% of all inland freight transport in 2012, whereas road traffic accounted for approximately 31.0%. We believe that generally, rail will be favored as companies are increasingly sensitive to environmental concerns and labor costs, as rail transportation is more environmentally friendly than trucking and requires less manpower.

Changes in the European regulatory landscape

We believe that recent liberalization of the railway industry in Europe will have an overall beneficial impact on the demand for freight railcars. Changes in European regulations have opened up railway business to private companies, leading to a more flexible competitive landscape that challenges the dominance of incumbent state-owned railway companies. We believe that these changes will lead to an increased share of railcar supply being provided through leasing rather than through ownership. The reason for this development is that new entrants will likely be smaller and be less able to make significant capital expenditure necessary to build up a fleet of railcars. We believe that these companies will therefore favor leasing as a means of ensuring that they have a useful fleet at their disposal while being able to optimize capital expenditure levels. We estimate that in Europe, lessors represented approximately 20% of total freight railcar supply, whereas in the United States, where the railways have been deregulated for a longer time, lessors' share of the market is approximately 57%.

In addition, the European Commission also approved several investments over the next few years that we expect will modernize and significantly improve railway transportation in Europe. We believe that these initiatives will further stimulate investments in the development and renovation of rail infrastructure, which had previously languished for decades.

Additionally, we believe that the adoption of standardized rules regarding railcar maintenance have made regulatory compliance a more streamlined process than it was prior to this change. We believe that these shifts in the European regulatory landscape will lead to the further development of long-distance rail traffic that is more competitive compared with road transport.

Mismatch between production capacity and replacement needs

The economic slowdown in 2008 and 2009 was particularly difficult for manufacturers of railcars as demand for more equipment decreased. As a result, many manufacturers faced economic difficulty and a number were forced to go out of business. Meanwhile, the legacy of the crisis on freight railcar leasing companies was overcapacity in their fleets.

Because of the interplay between the lack of new production and chronic overcapacity resulting from the economic slowdown, the average age of the fleet of freight railcars has been increasing. In Europe, the average age is estimated to be approximately 25 years as of December 31, 2012, according to third-party market research, as compared with approximately 20 years in the United States. Although they are generally long-lived assets, older railcars that have sat unused with little or no maintenance while demand has been weak will be difficult to bring back to good working order once levels of demand return to pre-crisis levels. As a result, we believe that market participants with younger fleets will be in a better position to meet new demand.

Shift to increased leasing over ownership

We believe that as newer, smaller companies enter the rail freight market in the wake of deregulation, and legacy companies are forced to compete more directly with leaner entrants, leasing a fleet of railcars will become more advantageous to the market as a whole. Leasing allows companies seeking to ship freight by rail to build up their fleet without incurring a significant capital expenditure. In addition, lessors can provide lessees with value-added services such as fleet maintenance, thereby enabling lessees to avoid the need for expensive, in-house maintenance teams. Further, sale and leaseback transactions and finance leasing can allow companies to manage their balance sheet while outsourcing to lessors the management of the disposal of their used containers.

Competition

There are several large competitors operating in the freight railcar leasing industry. These companies tend to specialize in one or more different kinds of railcars. While we specialize in intermodal cars and other dry good transport cars, certain other market participants, such as GATX and VTG, specialize in tank cars.

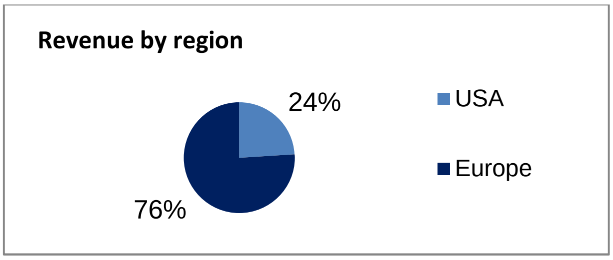
Our Freight Railcars division's key competitor in the intermodal railcar space is AAE-Ahaus-Alstätter Eisenbahn, which has been purchased by VTG. Other participants include GATX, Ermewa, Nacco and Millet.

General presentation of the business

We lease and sell freight rail wagons to logistics companies, railway operators and industrial groups in Europe and the United States. We believe we are one of the largest lessors of intermodal railcars in Europe, in terms of the number of units in our fleet.

We also provide maintenance services as an Entity in Charge of Maintenance under European regulations to customers in Europe. Our Freight Railcars division has offices and/or agents in 13 countries around the world.

For the year ended December 31, 2014, our Freight Railcars division accounted for €47.1 million, or 12.4%, of our revenue and €16.3 million, or 40.8%, of our EBITDA. The charts below shows a geographic breakdown of our Freight Railcars division revenue for the year ended December 31, 2014:



Our Freight Railcars Fleet

As of December 31, 2014, our rental fleet of wagons consisted of 5,454 units with a gross book value of approximately €368.1 million, of which 33.5% consisted of wagons that we managed on behalf of third-party investors. The average utilization rate for our rental fleet was approximately 77.9% for the year ended December 31, 2014. Our fleet consists of different types of railcars, including:

- intermodal wagons, which are used to transport standard containers used in maritime transport or swap bodies and which are exchangeable containers that are lightweight and non-stackable, making them specialized for rail and road transport;
- car carrying wagons, which are used to transport automobiles by rail;
- coil carrying wagons, which are specially designed to transport large spools of steel, coils of cable or wire or other similarly spooled materials;
- sliding wall wagons, which are loaded from the sides for palletized products; and
- hopper cars, which are used to transport loose bulk items.

Within the freight railcar industry, railcars are counted in terms of platforms rather than individual wagons. A 45-foot and a 60-foot railcar are each considered to be one platform, while 80-foot, 90-foot, 106-foot and car transport railcars are each considered to represent two platforms. As of December 31, 2012, 2013 and 2014, our freight railcar rental fleet comprised 6,959 wagons (or 8,962 platforms), 6,054 wagons (or 7,952 platforms) and 5,454 wagons (or 7,349 platforms), respectively. As of December 31, 2013 and 2014, in addition to our 7,952 platforms and 7,349 platforms under management, we provided technical and maintenance service for 1,304 platforms owned by a customer.

Freight railcars are particularly long-lived assets, which can typically be used for 30 to 50 years. The average age of our freight railcar fleet as of December 31, 2014 was 17.0 years.

Our Freight Railcars Products and Services

Our Freight Railcars division offers three principal types of services to our customers: leasing and related services, railcar maintenance and asset management. To a limited extent, we also sell small components used in freight railcars.

Leasing and related services

We lease our fleet of freight railcars to logistics providers, railway companies and industrial groups in Europe and the United States. We also provide services related to our leased fleet, such as maintenance services. Leasing and related services accounted for €34.3 million, or 72.8%, of our overall Freight Railcars division revenue for the year ended December 31, 2014.

We provide four types of packages to our freight railcar lessees based on their specific operational needs:

- full service leases, pursuant to which we are responsible for maintenance and repairs of leased railcars;
- net leases, pursuant to which our customer retains responsibility for the maintenance of and repairs to their leased railcars;
- mixed leases, whereby we are responsible for inspection of the leased railcars and inspection and repair of their wheel sets (our customer is responsible for corrective and day-to-day maintenance); and
- sale and leaseback transactions, through which we purchase railcars from our customers and lease the fleet back to them. We may provide maintenance of the railcars through the leaseback arrangement if the customer so desires.

Lessees under our freight railcar lease contracts generally undertake to lease a fixed number of freight railcars for the duration of the lease at a fixed per diem rate, although some lease agreements may also provide for the rental of freight railcars on a pay-as-you-go basis for spare wagons. Furthermore, our lease agreements generally include a yearly mileage limitation clause, which establishes a supplement per kilometer applicable to the contractual rental rate in the case the freight railcars have traveled more than the agreed mileage. The duration of these leases generally varies from one to two years, although in certain cases it could be for as long as eight years. As of December 31, 2014, the average term of our leases was approximately 3.3 years. Leases are often automatically renewed at the end of their initial term for an additional one year term unless either party to the lease agreement delivers a notice of redelivery to the other party at least three months prior to the expiration of the initial rental period. Further, contracts may not be terminated by the lessee unilaterally during the term of the lease.

Railcar maintenance

In 2011, we were certified as an "Entity in Charge of Maintenance," or ECM, pursuant to European Regulation 445/2001/EC. This regulation sets forth a mandatory compliance system designed to ensure the safety and reliability of freight transport by rail within the European Union, and prescribes standard guidelines similar to those of an ISO standard that must be applied in order for accreditation to be received. The promulgation of the regulation created a market in third-party maintenance providers to alleviate the time and cost burden of compliance by freight railcar holders.

We employ specialized technicians that are able to analyze a railcar's technical issues remotely and recommend a detailed plan of action. The railcar is then dispatched to a nearby workshop to which we subcontract the actual repair work and whose mechanics are instructed to follow the recommendations of our technicians.

Our status as an ECM allows us to offer maintenance services as an ECM to third parties independently of whether the railcars are part of our fleet. We currently provide such services to freight railcars owned by an affiliate of SNCF, the French national railway company. We intend to use our status as an ECM to pursue other opportunities to provide freight railcar maintenance services on a standalone basis.

Asset management

As in our Shipping Containers division, we syndicate portfolios of freight railcars to third-party investors and operate as an asset manager for them. As of December 31, 2014, our Freight Railcars division had assets under management for third parties with a gross book value of approximately €123.3 million, or 33.5% of our total rental fleet of freight railcars. Our portfolio selection, tracking, syndication process and contracts are similar to those used in our Shipping Containers division. Following syndication, we manage the syndicated portfolio as if it were part of the assets we manage for our own account.

We syndicate freight railcars through our subsidiary SRFRL. We formed SRFRL as a joint venture with DVB Bank SE in April 2009 as a vehicle for investing in freight railcars in Europe. In January 2012, our indirect stake in SRFRL increased from 25.8% of SRFRL's capital and voting rights to 51%.

Sales

To a very limited extent, we sell small components related to freight railcars, such as brake shoes. We also have from time to time sold portfolios of second-hand freight railcars when we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses. Sales accounted for €12.8 million, or 27.2%, of our Freight Railcars revenue for the year ended December 31, 2014.

Freight Railcars Fleet Procurement

We rely on third-party manufacturers to supply the freight railcars that make up our fleet. We generally do not purchase non-replacement new equipment for use in our Freight Railcars division unless we have signed a lease agreement with a customer. The equipment that we do purchase is selected based on our own internal ROI targets, which are affected by the price that we can charge under our rental contract and the cost of financing the railcars.

We do not believe we are particularly dependent on any one supplier of freight railcars to meet our needs. However, we do expect that new railcars will generally be in short supply in the near term since at the end of the last decade many manufacturers were forced to go out of business due to the global economic slowdown. For the year ended December 31, 2014, no single supplier accounted for more than 11% of our freight railcar purchases.

Financing Our Freight Railcars Fleet

We purchase railcars for use in our rental fleet for the purpose of either owning them on our balance sheet or syndicating railcars to third-party investors for whom we manage such assets. As of December 31, 2014, 33.5% of the gross book value of our railcar fleet was owned by third-party investors and 66.5% was owned by our Group.

When we purchase railcars to own on our balance sheet, we do so through cash on hand or drawings under our revolving credit lines.

When we purchase railcars for syndication, on the other hand, we take advantage of a dedicated warehouse credit facility, the TRF2 Warehouse Facility, to finance such railcars in anticipation of their syndication. While the TRF2 Warehouse Facility is intended to provide short-term revolving credit, we have used it as a means of long-term financing for our railcars in periods of low syndication demand. A railcar will remain subject to the TRF2 Warehouse Facility until such time as we sell it to a third-party investor. Once the railcar is sold, the proceeds of the sale are used to repay the drawing under the TRF2 Warehouse Facility.

Freight Railcars Fleet Management

Through our proprietary fleet management software platform, we are able to track our fleet of railcars as they are leased. Our platform allows us to provide monthly reports to our management and our investors on the status of our railcar fleet, rental rates per type of railcar, utilization rate, operating expenses and revenues attributable to a railcar, to a lessee or to an investor.

Railcars that are on lease but unused by our customers are stored in rail yards and sidings at their expense. We also store railcars that are not on lease at rail yards at our own expense. Our freight railcars are monitored by our trained technicians and are sent to workshops to undergo maintenance and repair at the instruction of our technicians.

Freight Railcars Marketing

Our primary means of marketing our services is through our periodic participation in requests for tenders from logistic companies, railway operators or industrial groups. In general, a potential customer will specify the number and type of railcars it will need, and where it will need them. Our decision to tender is based on our ability to purchase or furnish railcars at a price that will generate an attractive return on our investment.

The length of the tender offer process varies depending on the potential customer's need for railcars. If the company is seeking to fulfill a need that will arise in the immediate short-term, the process can be quite rapid, whereas companies that are seeking to fulfill projected future needs typically set forth a schedule that is longer. We negotiate terms such as price, payment terms, additional services to be included in the contract (such as maintenance) and the terms of delivery and return of the leased railcars.

Key Freight Railcars Customers

Our Freight Railcars division caters primarily to three types of customers: logistic companies, railway operators and industrial groups. Our principal logistic company customers include Greenmodal Transport, Shuttlewise, GEFCO, Oceanogate, Hödlmayr International, ARS Altmann, Distri Rail and Rhein Cargo. Our principal railway operator customers include SNCF, Deutsche Bahn, IFB, SBB, Belgian Railways and Rail Cargo Austria. Our principal industrial customers include BASF and Solvay. During the year ended December 31, 2014, no single Freight Railcars leasing customer represented more than approximately 11% of our Freight Railcars leasing division revenue. Our ten largest Freight Railcars leasing customers represented approximately 63% of our Freight Railcars leasing division revenue for the year ended December 31, 2014.

4. River Barge business

Key Market Characteristics

Our River Barges division addresses the Seine, the Rhine and the Danube river basins in Europe, the Mississippi and the Missouri river basins in the United States and the Paraná-Paraguay river basin in South America. Inland waterway freight traffic is significant in each of our markets. According to Eurostat, 527.7 million metric tons of freight were transported over inland waterways in the European Union in 2013. In the United States, approximately 565 million tons of commodities freight moved on inland waterways in 2012, according to the Waterways Council, a U.S. public policy firm. According to the World Bank, freight traffic in the Paraná-Paraguay river basin, which is our primary market in South America, was estimated to be at approximately 14 million metric tons in 2010, composed mostly of bulk commodities and minerals.

River barges are expected to remain an important component of inland freight transportation in the future. For example, according to a 2009 report by the Dutch Inland Shipping Information Agency, conservative estimates have river transport maintaining a share of 5% of all inland freight transportation in the EU from 2005 to 2030, whereas one model predicts that river transportation will grow to account for 10% of all inland freight transportation in the EU.

Principal Market Drivers

Macroeconomic factors affecting demand for freight traffic

Demand for leasing and sales of river barges is closely tied to macroeconomic and political/regulatory factors affecting cargo transportation in the countries and regions in which a particular river flows, such as levels of overall industrial output, local demand for goods, governmental policies for importing and exporting goods and international trade patterns.

We believe that demand for river barges will increase in the near term. Europe's largest seaports already make extensive use of inland water transportation in order to avoid road congestion and to address a lack of capacity in rail transportation. We believe that river transportation will continue to play a significant role as traffic at seaports continues to grow. In South America, an increased stock of leased river barges will likely be needed in order to cope with transportation demands, as demand for transportation of raw materials and agricultural produce is considerable in an environment with a road and rail system that is insufficient to access inland areas.

Cost efficiency and environmental concerns

We believe that river barges are one of the most energy-efficient means of inland transportation. With a growing global emphasis on "green" industries, the environmental benefits of river transportation over overland transportation are likely to become increasingly important market factors. We believe that river transportation is particularly cost effective, as it can transport large volumes of cargo while consuming fewer fossil fuels. It is estimated that river transportation is seven times cheaper than road transportation, requiring 3.7 times less petroleum consumption and having four times less carbon dioxide emissions than road transportation. For example, a single river barge can hold up to 6,000 metric tons of cargo, which is the equivalent of the cargo capacity of approximately 240 trucks on the road. Market estimates indicate that one ton of bulk products can be carried 616 miles by inland barge on one gallon of fuel, compared with 478 miles by railcars or 150 miles by truck. Finally, river barges produce approximately four times less carbon dioxide than road transport, according to estimates by Voies Navigables de France, a French public establishment that manages a majority of France's navigable inland waterways.

Competition

We believe that competition in the River Barges division is marked by a high degree of regional and local competition rather than competition from multinational companies. This results from the need for market participants to be familiar with the various regulations governing a particular river basin, the barge design constraints posed by a particular river and the locally concentrated customer base.

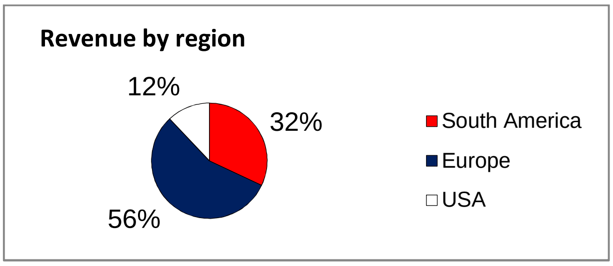
As an operational lessor of river barges, we operate in a niche market, and do not face substantial competition from any single lessor.

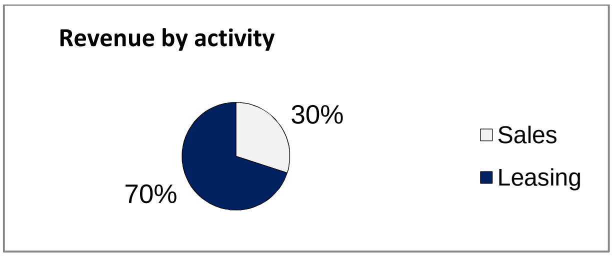
General presentation of the business

We lease and sell river barges to logistics companies and industrial groups in Europe, the United States and South America. We believe that we are the leading operational leasing company for bulk cargo barges in Europe and South America. Our barges operate along the Seine, Rhine and Danube river basins in Europe, the Mississippi and Missouri river basins in the United States and the Paraná-Paraguay river basin in South America.

River barges are flat-bottomed boats that are built mainly for river and canal transport of heavy goods. To a large extent, river barges are not self-propelled and must be towed or pushed by a towboat. River barges are particularly long-lived assets, which can typically be used for 30 to 50 years.

For the year ended December 31, 2014, our River Barges division accounted for €21.8 million, or 5.8%, of our revenue and €5.6 million, or 13.9%, of our EBITDA. The charts below shows a breakdown of our River Barges division revenue for the year ended December 31, 2014 by activity and by region:





Our River Barges Fleet

We specialize in dry bulk cargo barges, which are primarily used to transport dry bulk freight such as coal, sand, gravel, steel, iron ore, grains, fertilizers, cement and clinker. As of December 31, 2014, our fleet of river barges consisted of 127 units with a gross book value of approximately €95.0 million. The average age of our river barge fleet as of December 31, 2014 was 12.2 years. The average utilization rate for our barge fleet was 94.5% for the year ended December 31, 2014.

River Barges Products and Services

We primarily lease river barges to logistics companies and industrial groups. However, we also engage in opportunistic sales of second-hand river vessels from our own fleet from time to time. Although we are a historical operator of river barges, we have decided to refocus our business on leasing only and have moved away from operations. As a result, we generally do not operate the equipment we own, but instead lease it to operators.

Leasing and related services

We provide operational leasing and sale and leaseback solutions for river barges. Some related services that we provide in connection with our leases include fleet management, transport of barges between different river basins, insurance and technical expertise regarding river transport. During the year ended December 31, 2014, leasing and related services accounted for €15.4 million, or 70.5%, of our River Barges division revenue.

We generally enter into long-term leases with our river barge lessees. These leases can last for up to 10 years. As of December 31, 2014, the average term of our river barge leases was approximately 7.0 years. Typically our contracts can be renewed, either tacitly or through the express agreement of the parties thereto. Most of our leases are generally "bareboat" leases, which means that the lessee is responsible for hiring its own crew, as well as for the cost of insuring the barge and undertaking any repairs necessary during the term of the lease, and lessees undertake to hold us free of liability in connection with their use of our barges. Contracts may not be terminated by the lessee unilaterally during the term of the lease.

Trading and Sales

We engage in sales of second-hand river vessels from our own fleet from time to time when we believe it is financially attractive for us to do so, taking into account the location, sale price, cost of repair and possible repositioning expenses, as well as, to a very limited extent, direct operation of river barges. During the year ended December 31, 2014, trading and sales accounted for €6.4 million, or 29.5%, of our River Barges division revenue.

River Barges Fleet Procurement

We rely on third-party manufacturers of river barges in order to build up our fleet. We generally do not purchase non-replacement new equipment for use in our River Barges division unless we have signed a lease agreement with a customer.

Pricing for the purchase of a new river barge depends heavily on the technical specifications to be met, the place at which delivery of the barge is required, as well as general market conditions influencing demand at the time of purchase. For a standard, uncovered dry bulk cargo barge, the purchase price can range from approximately $650,000 to $1 million. It takes from two to five months from the signing of a purchase order for delivery of a new barge.

We do not believe we are particularly dependent on any one supplier of river barges to meet our needs.

Financing Our River Barges Fleet

We do not engage in asset management in our River Barges division and therefore our main means of liquidity in this division is cash on hand, equity injections or borrowings under asset-based bilateral credit agreements to finance our acquisitions of new equipment. For a description of our principal River Barges division financing arrangements, see "Description of Certain Financing Arrangements."

River Barges Fleet Management

We manage our Seine, Danube and Mississippi river barge fleets centrally from our headquarters in Paris. Our fleets in other locations are managed locally. We do not actively manage our fleet, as our river barge operations are controlled by our lessees. However, we do ensure that our barges' navigation certificates are renewed regularly and manage the handling of insurance premiums and claims.

River Barges Marketing

We have offices dedicated to our River Barges division in Paris, Rotterdam, Panama City and Miami. Our marketing efforts are both centrally based (through our website and through brochures) and basin-based (through locally organized client events, appearances at trade fairs and advertisements in local publications). As our River Barges division is targeted at a niche market, we rely mainly on networking through our existing client base, advertisements, appearances at exhibitions and trade fairs and scouting prospects directly through our professional contacts as well as agents, to generate new business.

Key River Barges Customers

Our River Barges leasing business primarily caters to logistics companies and industrial groups. Key river logistics operator customers include Navrom-TTS, Miller, Ceres, P&O Maritime Services and Ultrapetrol. Key industrial company customers include Cemex, ArcelorMittal, Yara, Bunge and ADM-Toepfer. During the year ended December 31, 2014, no single customer represented more than 18.6% of our River Barges division revenue. Our ten largest customers represented 87.5% of our River Barges division revenue for the year ended December 31, 2014.

6.1.2. New product or service

Not applicable

6.2. KEY MARKETS

Cf. pages 12 and 13 and paragraph 6.1.1.

6.3. EXCEPTIONAL EVENTS

Not applicable

6.4. DEPENDENCE ON PATENTS, LICENSES AND CONTRACTS

Not applicable

6.5. COMPETITIVE POSITION

Cf. pages 4 to 11 and paragraph 6.1.1.

7. ORGANIZATION CHART

7.1. GROUP ORGANIZATION CHART

The organization chart below is a simplified organization chart of the main operational companies of the Group classified by business activity. The percentages indicated are rounded and correspond to the percentage capital holding and direct or indirect voting rights of these entities by TOUAX SCA.

The list of all the Group's subsidiaries is on note 2.2 page 85 of the notes to the consolidated financial statements

TOUAX SCA	Country	Percentage held by parent	Company purpose
TOUAX Corporate SAS	**France**	**100%**	**Service Company**
TOUAX UK Ltd	**United Kingdom**	**100%**	**Service Company**
TOUAX Container Services SAS	**France**	**100%**	**Service Company**
TOUAX Container Leasing Pte Ltd	Singapore	100%	Leasing of shipping containers
Gold Container Investment Ltd	Hong Kong	100%	Sale of shipping containers
Touax Corp.	USA	100%	Leasing and sale of shipping containers
Gold Container Corp.	USA	100%	Leasing and sale of shipping containers
TOUAX Solutions Modulaires SAS	**France**	**100%**	**Leasing and sale of modular constructions**
TOUAX Espana SA	Spain	100%	Leasing and sale of modular buildings
TOUAX SRO	Czech republic	100%	Modular Buldings assembly company
TOUAX SK Sro	Slovakia	100%	Leasing and sale of modular buildings
TOUAX BV	Netherlands	100%	Leasing and sale of modular buildings
TOUAX NV	Belgium	100%	Leasing and sale of modular buildings
SIKO Containerhandel GmbH	Germany	100%	Leasing and sale of modular buildings
TOUAX Sp.zo.o	Poland	100%	Leasing and sale of modular buildings
TOUAX Modular Building USA, Llc	USA	100%	Leasing and sale of modular buildings
TOUAX do Brazil	Brazil	100%	Sale of modular buildings
TOUAX Panama SA	Panama	100%	Sale of modular buildings
SACMI SARL	Marocco	51%	Sale of modular buildings
RAMCO SARL	Marocco	51%	Leasing of modular buildings
TOUAX Rail Ltd	**Ireland**	**100%**	**Leasing and sale of railcars**
TOUAX Rail Romania SA	Roumanie	57,5%	Leasing and sale of railcars
CFCL TOUAX Llc	USA	51%	Leasing and sale of railcars
TOUAX River Barges SAS	**France**	**100%**	**Leasing and sale of river barges**
TOUAX Leasing Corp.	USA	100%	Leasing and sale of river barges
TOUAX Hydrovia Corp.	Panama	100%	Leasing and sale of river barges
TOUAX Rom SA	Romania	100%	Leasing and sale of river barges
Eurobulk Transport Maatschappij BV	Netherlands	100%	Leasing/ chartering of river barges
CS de Jonge BV	Netherlands	100%	Leasing/ chartering of river barges

7.2. Parent-subsidiary relations

TOUAX SCA is a mixed holding company. As such, TOUAX SCA records interests in its national and international subsidiaries. TOUAX SCA is active in the French real-estate business, and provides consulting services to its subsidiaries.

There is no functional dependence between the Group's businesses. There is a certain degree of functional dependence between companies within the same division, particularly asset financing companies, asset production companies, and distribution companies.

In most cases, each subsidiary owns its proprietary assets for leasing and sale.

The duties of the management of TOUAX SCA in the Group's subsidiaries are mentioned in the Report of the Chairman of the Supervisory Board in section 27.2 page 166.

The economic presentation of the Group is given in the Profile on page 2.

There are no significant risks arising from the existence of any notable influence by minority stockholders on the Group's subsidiaries as regards the financial structure of the Group, particularly concerning the location and association of assets, cash and financial debts in connection with agreements governing joint control.

To the best of our knowledge, there are no restrictions either on cash flows from the subsidiaries to the parent company or on the use of cash, except for jointly controlled subsidiaries.

TOUAX SCA finances business activities using loans and current accounts. As from 2013, the company set up a system for centralizing the finances for most of the countries where the Group is present.

The figures relating to significant parent-subsidiary relationships (other than regulated agreements) are as follows for the 2014 fiscal year:

Services provided *(€ thousands)*	**IT and management costs**	**Interest received on loan**
Shipping container division	165	1 086
Modular building division	470	4 597
Freight railcar division	195	2 171
River barge division	103	593
Corporate	1 299	

Services received *(€ thousands)*	**Interest payable on advances**
Shipping container division	2 251
Modular building division	1
Freight railcar division	31
River barge division	670
Corporate	80

The guarantees and other commitments granted by TOUAX SCA as of December 31, 2014 are as follows:

Subsidiaries concerned *(€ thousands)*	Year in which guarantees granted	Original amount of guarantees granted	Guarantees expiring in less than one year	Guarantees expiring in 1 to 5 years	Guarantees expiring over 5 years	Outstanding capital owing as of 31.12.2014
	2014	2 462	1 459		1 003	2 305
	Before 2014	66 888	7 852	21 235	37 802	21 798
TOUAX Solutions Modulaires SAS		**69 350**	**9 311**	**21 235**	**38 804**	**24 103**
	2014					
	Before 2014	3 326			3 326	390
TOUAX Rail Ltd		**3 326**			**3 326**	**390**
	2014					
	Before 2014	77 683	500	42 264	34 919	33 877
SIKO Containerhandel Gmbh		**77 683**	**500**	**42 264**	**34 919**	**33 877**
	2014					
	Before 2014	35 922		29 452	6 470	24 992
TOUAX River Barges SAS		**35 922**		**29 452**	**6 470**	**24 992**
	2014					
	Before 2014	28 999		10 325	18 674	9 986
TOUAX Sp.zo.o		**28 999**		**10 325**	**18 674**	**9 986**
	2014					
	Before 2014	5 801		2 984	2 817	1 912
TOUAX Leasing Corp		**5 801**		**2 984**	**2 817**	**1 912**
	2014					
	Before 2014	5 420			5 420	1 034
TOUAX Modular Building USA, Inc		**5 420**			**5 420**	**1 034**
	2014					
	Before 2014	10 295		6 177	4 118	5 939
GOLD Container Corp		**10 295**		**6 177**	**4 118**	**5 939**
	2014					
	Before 2014	1 500	1 500			
TOUAX Construction Modulaire SAS		**1 500**	**1 500**			
	2014					
	Before 2014	4 327	4 327			2 253
TOUAX Sro		**4 327**	**4 327**			**2 253**
	2014					
	Before 2014	20 000	20 000			10 000
TOUAX Container Services SAS		**20 000**	**20 000**			**10 000**
	2014	4 942	4 942			4 942
	Before 2014	18 384		9 192	9 192	16 168
TOUAX Hydrovia Corp.		**23 326**	**4 942**	**9 192**	**9 192**	**21 110**
TOTAL GENERAL DES GARANTIES ACCORDEES		**285 949**	**40 580**	**121 628**	**123 741**	**135 598**

The Group's main subsidiaries are TOUAX Container Leasing Pte Ltd., a company incorporated in Singapore, and GOLD Container Investment Ltd, a company incorporated in Hong Kong.

The key figures of TOUAX Container Leasing Pte Ltd are presented in the following table before elimination of any intra-group transactions:

($ thousands)	**2014**	2013	2012
Net fixed assets	325	357	86
Shareholders' equity	16 022	12 486	7 047
Financial debts			
Revenue	128 358	123 311	105 648
Operating income before distribution to investors	79 341	77 490	80 397
Current operating income	2 426	5 544	2 857
Net profit	3 536	5 439	2 822

The rise in revenue derives from a high utilization rate and an increase in the fleet under management, even if leasing prices have eroded slightly. Distributions to investors increased in 2014 due to an increase in the fleet under management.

The key figures of GOLD Container Investment Ltd are presented in the following table before elimination of any intra-group transactions:

($ thousands)	**2014**	2013	2012
Net fixed assets	787	692	1 887
Shareholders' equity	27 357	27 541	20 041
Financial debts			
Revenue	217 235	170 096	181 440
Operating income before distribution to investors	403	7 976	7 242
Current operating income	403	7 976	7 242
Net profit	(185)	7 501	7 139

The increase in revenue is the result of an increase in syndications to investors in 2014. Since these sales generated less margin, the result was down sharply compared to the end of 2013.

8. Real Estate, Plant and Equipment

8.1. Tangible and intangible fixed assets

The Group is an operational leasing expert for mobile and standardized equipment. To date, it possesses little goodwill (€28.7 million) or intangible fixed assets (€1.1 million) compared with tangible fixed assets (€504.6 million), financial leasing receivables (€4.7 million) and inventory (€36.7 million). The tangible fixed assets, financial leasing receivables and inventory represent equipment belonging to the Group that is leased (shipping containers, modular buildings, freight railcars and river barges).

In addition to leased equipment, the Group operates two modular building assembly sites in the Czech Republic and Morocco. These sites mainly include assembly tools and equipment whose value is insignificant compared to the leased equipment. Note that the land and buildings at the Czech and Moroccan sites are owned by the Group. There are no major charges (refitting, security, safety etc.) relating to these facilities or the leased equipment. In France, the Group stopped producing modular buildings at the end of 2013 but retained the site for its business activity.

A breakdown of the tangible and intangible assets is given in the notes to the consolidated financial statements section 20.1, on note 16 and note 17 pages 98 et seq.

8.2. Environmental policy

The Group's environmental policy is presented in the corporate social and environmental responsibility section 26.2 page 152.

9. Analysis of the financial position and income

9.1. Financial position

The financial position is analyzed in the management report in section 26.1 page 123.

9.2. Operating income

The operating income is analyzed in the management report in section 26.1 page 123.

9.2.1. Unusual factors

Not applicable

9.2.2. Major changes

Not applicable

9.2.3. Governmental, economic, budgetary, monetary and political factors

Not applicable

10. CASH AND CAPITAL

10.1. GROUP CAPITAL

The Group's financial and cash resources are described in the Notes to the consolidated financial statements in section 20.1 page 70 and in note 18.2 page 102 with details on the liquidity and interest rate risks.

10.2. CASH FLOW

The Group's cash flow is described and explained in the cash flow statement in the consolidated financial statements in section 20.1 page 70 and seq.

10.3. BORROWING CONDITIONS AND FINANCING STRUCTURE

The borrowing conditions and financing structure are described in the notes to the consolidated financial statements in section 20.1 , in particular, on note 18.2.1 page 102 with details on the liquidity and for the interest rate risks in section 20.1, on note 1 page 109.

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

- spot lines (364 days) and overdraft lines are used for occasional working capital financing needs and pre-financing of assets (in order to create high-value asset portfolios prior to long-term financing or sale to third-party investors);
- revolving credit lines which can be drawn by provisory notes are used for pre-financing the assets;
- bond issues are used to finance assets;
- medium-term loans and lines for financing assets with recourse (leasing, financial leasing, etc.) are used for financing assets kept by the Group;
- non-recourse credit lines are used for pre-financing assets (shipping containers and railcars) as well as the long-term financing of equipment that the Group wishes to keep on its balance sheet.

10.4. RESTRICTION ON THE USE OF CAPITAL THAT HAS HAD OR COULD HAVE A SIGNIFICANT DIRECT OR INDIRECT EFFECT ON THE ISSUER'S OPERATIONS

To the best of our knowledge, there are no restrictions either on cash flows to the parent company from subsidiaries wholly-owned by the Group, or on the use of the Group's cash, subject to default clauses for bank loans presented in of the notes to the consolidated financial statements on note 18.2.3 of the notes to the consolidated financial statements, page 104.

The cash balances shown on the Group's balance sheet on December 31, 2014 include €34 million in cash that is not available for the Group's daily cash management. €4.6 million of this amount corresponds to contractual restrictions on liquidity transfers linked to bank covenants, and €7.9 million to the cash-flow of companies not 100% owned and €21.3 million of reserves linked to the next reimbursement of the containers pre-financing loan following a syndication at the end of the year.

10.5. EXPECTED SOURCES OF FINANCING IN ORDER TO MEET INVESTMENT COMMITMENTS

The financing sources are detailed in the firm investment commitments in section 5.2.3 page 37.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Group has several in-house engineering and design departments, which work on the design and improvement of the modular constructions. Modular buildings today are clearly designed to be welcoming, hi-tech and increasingly ecological. TOUAX uses the engineering and design departments to respond to changes in the expectations of customers regarding price, ease of installation, standardization, flexibility, personalization and appearance. Within this context, TOUAX carries out research and development in order to penetrate new markets and to reconcile environmental and technical constraints concerning safety. The research and development costs are posted in expenses.

In its three other businesses, the Group prefers to buy and lease standardized products; it has deliberately not invested in research and development for patents and licenses for innovative products.

12. TREND INFORMATION

12.1. KEY TRENDS AS OF THE DATE OF THE REGISTRATION DOCUMENT

The key trends are detailed in the Managing Partners' report in section 26.1 page 123 and in the presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on March 13, 2015 is provided in section 28.3 page 183.

12.2. KNOWN TRENDS, UNCERTAINTIES, REQUESTS, ANY COMMITMENTS OR EVENTS QUITE LIKELY TO SIGNIFICANTLY AFFECT THE CURRENT FISCAL YEAR

The year 2014 was marked by global growth that was lower than World Bank forecasts, equal to 2.6%, as was the case for the International Monetary Fund (IMF) with global production of 3.3%. Although the Euro zone emerged from recession in 2014 and activity in the United States has continued to recover, prospects for developing countries have been reduced.

The outlooks for 2015 are better than 2014 with global GDP estimated to increase to 3% (World Bank) and global production to 3.8% (IMF). This acceleration is due to the drop in oil prices, which positively impacts the economies of developed countries, the United States being the only major economy for which outlooks have been revised upwards. However, some uncertainty weighs on the outlooks for countries such as China, where the slowdown in growth weighs heavily. In the Euro zone, the chances of a recovery are related to how accommodating the monetary and fiscal policy undertaken is, as well as to the level of investment, given that countries are required to continue the structural reforms needed to create jobs.

Note that global trade growth forecasts for 2015 stand at around 4.5% for the World Bank and 4% for the WTO. This rate is below the average annual growth rate of 7% recorded before the crisis, bearing in mind that these prospects can be affected by a context of risk of political tensions and health crises.

Overall, the impact of the oil decline is expected to accelerate global growth over the next two years especially for oil importing countries. But an adjustment is expected, leading to a slowdown in growth over the medium term.

Transport activities (containers, railcars and barges), with a good geographical diversification, are well-oriented for 2015. In Europe more specifically, where the situation is still difficult, the Group predicts a gradual recovery, for the Modular Building and Freight Railcar businesses in particular. Utilization rates are expected to gradually increase and TOUAX estimates that there will be continued pressure from competitors and customers on leasing prices. The Group is continuing its international expansion, particularly in Africa, South America and Asia. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on March 13, 2015 is provided in section 28.3 page 183.

13. PROFIT FORECASTS OR ESTIMATE

Not applicable

13.1. MAIN ASSUMPTIONS

Not applicable

13.2. AUDITOR'S REPORT – FORECASTS

Not applicable

13.3. BASIS FOR FORECAST

Not applicable

13.4. CURRENT FORECAST

Not applicable

14. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY, AND SENIOR MANAGEMENT BODIES CONTACT DETAILS FOR ADMINISTRATIVE, MANAGEMENT, SUPERVISORY, AND SENIOR MANAGEMENT BODIES

14.1. DETAILS OF THE ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND SENIOR MANAGEMENT BODIES

The administrative, management and supervisory bodies are presented in the report of the Chairman of the Supervisory Board in section 27.2 page 166.

14.2. CONFLICTS OF INTEREST BETWEEN THE ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND SENIOR MANAGEMENT BODIES

Conflicts of interest are presented in the Report of the Chairman of the Supervisory Board in section 27.2 page 166.

15. COMPENSATION AND BENEFITS

15.1. COMPENSATION OF CORPORATE OFFICERS

15.1.1. Compensation of the Managing Partners

The remuneration of the Managing Partners is specified in article 11.5 of the articles of association, as follows:

"Each Managing Partner's annual compensation in connection with the general social security scheme is determined as follows:

- A fixed portion amounting to €129,354, together with benefits in kind up to a limit of 15% of the fixed salary, it being specified that this amount does not include the directors' attendance fees, payments or repayments of expenses received by the Managing Partners in respect of corporate mandates or duties performed in any of the company's subsidiaries, up to a limit of €80,000 per Managing Partner;
- A gross amount of €850 per day during business trips outside France, as a family separation allowance;
- The General Partners may only adjust these amounts within the limit of the cumulative change in the annual;
- statistics and economic studies (INSEE).
- A variable portion not exceeding 0.50% of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. For the purposes of this calculation, it is specified that the EBITDA is the consolidated gross operating surplus after deducting the net operating provisions."

The compensation of the Managing Partners is revised annually in accordance with the provisions of the Articles of Association.

Any changes to their compensation require the approval of the General Meeting of Stockholders and the express, written and unanimous agreement of the General Partners. The most recent change agreed at the General Meeting of June 18, 2008, was for the reduction of the Managing Partners' variable portion of the compensation to 0.5 % of the Group's consolidated EBITDA less the leasing revenues owed to investors, instead of the previous 1 % rate.

The General Partners benefit from the same pension scheme as the other managers of the Group. The Group has no "umbrella" pension scheme.

The compensation formalities of the Managing Partners are specified in the report of the Chairman of the Supervisory Board in section 27.2, page 166.

Tableau de synthèse des rémunérations et des options et actions attribuées à chaque dirigeant mandataire social *(€ thousands)*	**2014**	2013	2012
Fabrice WALEWSKI - Managing Partner			
Compensation due for the fiscal year	**426,5**	402,8	402,2
Value of options allotted during the fiscal year			
Value of performance shares allotted during the fiscal year			
TOTAL	**426,5**	402,8	402,2
Raphaël WALEWSKI - Managing Partner			
Compensation due for the fiscal year	**469,2**	401,4	460
Value of options allotted during the fiscal year			
Value of performance shares allotted during the fiscal year			
TOTAL	**469,2**	401,4	460

The company provides the Managing Partners with the necessary equipment to perform their duties (car, mobile phone, computer, etc.).

- **Compensation**

Summary table of the compensation of each Managing Partner (€ thousands)						
Fabrice Walewski Managing Partner	**2014**		2013		2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary	151,0	151,0	148,7	148,7	147,0	147,0
Variable compensation	269,8	269,8	202,3	177,3	205,0	205,0
Exceptional compensation						
Directors' fees	42,4	42,4	44,4	44,4	44,4	44,4
Payments in kind	6	6	7,4	7,4	5,8	5,8
TOTAL	**469,2**	**469,2**	402,8	377,8	402,2	402,2
Raphaël Walewski Managing Partner	**2014**		2013		2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary	152,5	152,5	148,7	148,7	147,0	147,0
Variable compensation	227,6	227,6	199,3	174,3	261,8	261,8
Exceptional compensation						
Directors' fees	42,4	42,4	44,4	44,4	44,4	44,4
Payments in kind	4	4	9	9	6,8	6,8
TOTAL	**426,5**	**426,5**	401,4	376,4	460,0	460

- **Stock options attributed to the corporate officers**

No stock options were attributed to the corporate officers.

- **Performance shares**

No performance shares (bonus shares) were attributed during the fiscal year or in a previous fiscal year.

- **Equity warrants**

No equity warrants (free of charge) under Articles L.225-197-1 et seq. of the French Commercial Code were attributed to the corporate officers during the fiscal year.

More generally, no equity securities, debt securities or securities giving access to capital or entitlement to the allocation of debt securities were allocated to the corporate officers of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2014 fiscal year. The Managing Partners are not stockholders of TOUAX SCA.

15.1.2.Compensation of the Supervisory Board

(€ thousands) Name	Position	Type of compensation	**2014**	2013	2012
Jérôme Bethbeze	Supervisory Board Member	Attendance fees	9,8	11,6	11,9
Jean-Jacques Ogier	Supervisory Board Member	Attendance fees	9,0	8,6	7,8
Aquasourça	Supervisory Board Member	Attendance fees	7,5	8,6	8,9
François Soulet de Brugière	Supervisory Board Member	Attendance fees	8,2	8,6	8,9
Sophie Servaty	Supervisory Board Member	Attendance fees	9,0	8,6	7,7
Alexandre WALEWSKI	Chairman of the Supervisory Board	Attendance fees	18,0	17,1	17,8
TOTAL ATTENDANCE FEES			**61,5**	**63**	**63**
($ thousands)					
Alexandre WALEWSKI	Chairman of the Supervisory Board	other compensation	192,7	192,7	192,7
TOTAL OTHER COMPENSATION			**192,7**	**192,7**	**192,7**

Rules for distributing attendance fees are specified in the Report of the Chairman of the Supervisory Board in Section 27.2 page 166.

The members of the Supervisory Board do not receive any compensation other than the attendance fees, apart from the fixed allowance that Alexandre WALEWSKI receives to cover expenses incurred in the course of his duties as Chairman of the Supervisory Board. This allowance amounted to $48,175 per quarter in 2012, 2013 and 2014.

No equity securities, debt securities or securities giving access to capital or entitlement to allocation of debt securities were allocated to the members of the Supervisory Board of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2014 fiscal year.

15.2. RETIREMENT AND OTHER ADVANTAGES

The Managing Partners do not benefit from a supplementary pension plan, benefits due or likely to be due following termination or change of duties, or benefits relating to a non-competition clause. The employment contract of the Managing Partners has been suspended.

To-date no retirement benefit contract (Article 82) is applicable.

16. Operation of the administrative and management bodies

16.1. Tenure of office

The operation of the administrative and management bodies is presented in the Report of the Chairman of the Supervisory Board in section 27.2 page 166.

16.2. Relates party agreements

Related party agreements are listed in the management report on page 123 and included in the Statutory Auditors' report in section 20.3.2 page 116.

16.3. Information on the various committees

Details on how corporate governance is organized are provided in the Report of the Chairman of the Supervisory Board in section 27.2 page 166.

16.4. Statement of conformity with the corporate governance scheme

The statement on conformity with the corporate governance scheme is explained in the Report of the Chairman of the Supervisory Board in section 27.2 page 166.

17. Employees

17.1. Breakdown of the workforce

The breakdown of the workforce by geographic location and business segment as of December 31, 2014 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Corporate		TOTAL	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Europe	15	18	543	493	13	15	34	30	39	36	644	592
Asia	11	10									11	7
Africa			102	92							102	92
Americas	4	3	31	18	1	2			3	3	39	24
TOTAL	**30**	31	**676**	603	**14**	17	**34**	30	**42**	39	**796**	720

17.2. Profit-sharing and stock options

The main holdings of the Managing Partners, the General Partners and the corporate officers are indicated in section 18 page 67 of the reference document, with the holdings of Alexandre WALEWSKI (Chairman of the Supervisory Board), Fabrice WALEWSKI (Managing Partner), Raphaël WALEWSKI (Managing Partner), the company Société Holding de gestion et de Participation (General Partner), and the company Société Holding de Gestion et de Location (General Partner).

The following table shows all these financial instruments giving access to capital, and the share held by each officer.

Type of instrument	Redeemable warrants
Date of the General Meeting	30/05/2005
Date of the Management Board	02/07/2007
Total number of financial instruments issued	1 427 328
Allotment date	na
Purchase date	08/03/2007
Number of financial instruments that could be exercised or levied as of 12/31/2014 by:	
- Fabrice WALEWSKI	
- Raphaël WALEWSKI	
- Alexandre WALEWSKI	
- Top 10 employees	175 023
- Others (employees/public)	1 103 887
Year's starting point for instruments	08/03/2007
Year's starting point for frozen instruments	08/09/2009
Expiration date	08/03/2016
Issue price	0,44 €
Subscription or purchase price (1)	32,91 €
Number of subscribed financial instruments	31 930
Total number of cancelled or void financial instruments	116 382
Number of financial instruments remaining to be exercised on 12/31/2014	**1 278 910**
Potential capital in number of shares	350,421 (2)

(1) The exercise price represents 115% of the closing market price at the time of the transaction

(2) 4 redeemable stock warrants entitle the holder to 1.096 shares

Details of the stock options and stock warrants granted by TOUAX SCA are given in the notes to the consolidated financial statements in section 20.1, note 21, page 107.

17.3. EMPLOYEE PARTICIPATION IN THE CAPITAL

The company does not publish a social report.

In 2012 an employee profit-sharing scheme and a compulsory profit-sharing agreement were put in place for all French entities. These two systems do not give entitlement to capital shares. In 2014, there were no compulsory profit-sharing, no voluntary profit sharing.

Some personnel categories (executives, sales representatives) receive individually-set annual performance-related bonuses.

18. MAIN SHAREHOLDERS

18.1. BREAKDOWN OF CAPITAL AND VOTING RIGHTS

There are no categories of shares or securities which do not represent capital. There is no treasury stock (TOUAX SCA shares held by its subsidiaries). The amount of TOUAX SCA shares held by TOUAX SCA is insignificant (see section on 18.4 treasury stock).

Distribution of capital and voting rights as of December 31, 2014

	Number of shares	% of share capital	Number of voting rights	% of voting rights	double voting rights
Alexandre WALEWSKI	551 822	9,38%	551 829	7,46%	14
Société Holding de Gestion et de Location	631 660	10,74%	1 096 455	14,81%	929 590
Société Holding de Gestion et de Participation	645 966	10,98%	1 125 767	15,21%	959 602
Majority group Total	**1 829 448**	**31,09%**	**2 774 051**	**37,48%**	**1 889 206**
SOFINA*	1 366 250	23,22%	1 921 588	25,96%	1 110 676
Public - registered securities	122 259	2,08%	140 176	1,89%	35 834
Public - bearer securities	2 565 816	43,61%	2 565 816	34,67%	
TOTAL	**5 883 773**	**100,00%**	**7 401 631**	**100,00%**	**3 035 716**

** To the knowledge of TOUAX*

TOUAX SCA is controlled by the WALEWSKI Family. SHGL (Leasing and Management Holding Company) and SHGP (Management and Investment Holding Company) are the two General Partners of TOUAX SCA and are respectively wholly owned by Raphaël and Fabrice WALEWSKI. The Managing Partners are not stockholders of TOUAX SCA.

It should be noted that Alexandre, Fabrice and Raphaël WALEWSKI, SHGL, and SHGP act in concert and jointly own 31.09% of TOUAX SCA, representing 36.11% of the voting rights on 31 December 2013.

In accordance with the Banking and Financial Regulation Act of 22 October 2010, the threshold for the obligation to file a draft takeover bid was lowered on February 1, 2011 from one third to 30% of the capital and voting rights. A grandfather clause applies for an unlimited period to stockholders who held between 30% and one third of the capital and voting rights on January 1, 2010: the previous threshold (33.33%) for a compulsory takeover bid will apply to these stockholders, provided that their interest remains between these two thresholds (Article 234-11 paragraph 1 of the General Regulation of the AMF).

The WALEWSKI family alliance, comprising Alexandre WALEWSKI, SHGL (Holding de Gestion et de Location) and SHGP (Holding de Gestion et de Participation), which held an interest of between 30% and 33.33% on January 1, 2010 (31.13% of the capital representing 35.75% of the voting rights on this date) is concerned by the provisions of Article 234-11 paragraph 1 of the General Regulation of the AMF published on 18 July 2011 in Notice No. 211C1275.

In other words, if the alliance exceeds the threshold of one third of the capital, it will be obliged to file a compulsory draft takeover bid.

Sofina is a Belgian investment company listed on the Brussels stock exchange. Sofina is controlled by Union Financière Boël and Société de Participations Industrielles.

On July 24, 2014 Sofina declared that it had exceeded the threshold of 25% of the company's voting rights, due to the acquisition of double voting rights. Sofina reached TOUAX 28.45% voting rights still holding 23.22% of the share capital.

Apart from the above, there were no declarations of thresholds being crossed in in 2014 and to this date.

To the knowledge of TOUAX, all of the stockholders who hold more than 5% of the capital stock or voting rights are mentioned in the table above.

There is no form of potential capital other than the one described in the notes to the consolidated financial statements in section in section 20.1 note 21 page 107.

The different types of voting rights are described in section 18.2.

Breakdown in shares

As of December 31, 2014, 45.46% of the shares issued by TOUAX SCA were registered, and the remainder shares were bearer shares. 95.71% of registered shares are held by persons residing outside France.

Number of stockholders

The company does not regularly ask for reports on identifiable bearer shares and therefore does not know the exact number of stockholders. The last such report was carried out in September 1999 and featured 919 stockholders. On December 31, 2014, there were 52 registered stockholders.

During the last Combined General Meeting on June 11, 2014, the chairman received 4 proxies, 23 stockholders sent an appointed person as their proxy or sent postal voting forms and 20 stockholders were present as well as the General Partners.

Stockholders' agreement

There is no agreement providing preferential conditions for the sale or purchase of shares likely to be transmitted to the French Financial Markets Authority (AMF).

Changes in the shareholding

Shareholders	31/12/2014		31/12/2013		31/12/2012	
	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*
Alexandre WALEWSKI	9,38%	7,46%	9,38%	8,67%	9,28%	14,78%
SHGL	10,74%	14,81%	10,74%	13,60%	10,74%	9,62%
SHGP	10,98%	15,21%	10,98%	13,84%	10,98%	9,83%
TOTAL of the majority group	**31,09%**	**37,48%**	**31,09%**	**36,11%**	**31,00%**	**34,23%**
Treasury shares	0,12%	0,09%	0,06%	0,05%	0,09%	0,08%
SALVEPAR					6,25%	9,44%
SOFINA	23,22%	25,96%	23,22%	21,46%	16,75%	14,99%
Public	45,57%	36,47%	45,63%	42,37%	45,91%	41,26%
TOTAL	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**

* To the knowledge of TOUAX

TOUAX SCA does not have an employee shareholding scheme.

18.2. VARIOUS VOTING RIGHTS

Double voting rights

Double voting rights are granted for registered shares held at least five years by the same stockholder. Furthermore, free shares allocated on the basis of old shares with double voting rights also feature double voting rights. This clause is stipulated in the company's Articles of Association.

Limitation of voting rights

The company's shares do not have any limitation of voting rights, except where stipulated by law.

18.3. DESCRIPTION OF THE TYPE OF CONTROL

The TOUAX Group is a partnership limited by shares under French law which by nature is controlled by the general partners. It has two general partners: SHGP (management & participation holding company) and SHGL (leasing & management holding company). These two companies belong respectively to Fabrice and Raphaël WALEWSKI. Furthermore, Alexandre WALEWSKI, Fabrice WALEWSKI, Raphaël WALEWSKI, SHGP (Holding de Gestion et de Participation) and SHGL (Holding de Gestion et de Location) acted in concert in 2014, as they have since 2005. This alliance is a de facto alliance that was established in 2005 during the conversion into a partnership limited by shares under French law. In total, on December 31, 2013 this alliance held 31.09% of the stock and 36.11% of the voting rights.

By complying with the practices for corporate governance recommended by AFEP/MEDEF, the Group avoids abusive control. Particularly, the presence of independent members within the Supervisory Board, as well as the Supervisory Board's operational rules ensure that control is not exercised in an abusive manner. The Supervisory Board provides continuous management control and reports to the general meeting on the conduct of the company's affairs and the financial statements for the year.

18.4. TREASURY STOCK

As of December 31, 2014, the company held 6 865 treasury shares, i.e. 0.12 % of the capital. These shares were acquired following the stock redemption program decided by the Combined General Meeting of June 11, 2014, in order to:

- ensure market stabilization and liquidity of the TOUAX SCA share through a liquidity agreement, compliant with the code of ethics recognized by the AMF, and entered into with an investment services provider;
- Grant either share purchase options or shares for no consideration to the employees and/or management of the TOUAX Group;
- Agree to hedge securities giving the right to grant company shares within the scope of current regulations;
- retain the shares bought, and use them later for trading or as payment in connection with external growth operations, it being stated that the shares acquired for this purpose cannot exceed 5% of the capital stock;
- cancel the shares.

During the 2014 fiscal year, 100,973 shares were purchased and 97,544 shares sold under the liquidity agreement, the sole aim being to buoy the market and ensure the liquidity of TOUAX securities.

An additional contribution of €50,000 has been made by on 28 October 2014.

The transactions are summarized in the following table:

Declaration by TOUAX SCA of transactions in own shares on February 28, 2015	
Percentage of the share capital held directly or indirectly	0.10%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	6,103
Book value of the portfolio (€)	99,552.53
Market value of the portfolio (€)	99,845.08

The treasury stock held by the Group is registered at its acquisition cost as a deduction from stockholders' equity. Gains from the disposal of these shares are stated directly as an increase in stockholders' equity, such that capital gains or losses do not affect the consolidated earnings, in accordance with accounting standards.

A description of the new stock redemption program (pursuant to Article 241-2 of the General Regulations of the AMF) submitted for authorization by the General Meeting of June 11, 2015 is set out in point 1 of the Managing Partners' report in section 26.1 page 123.

- **Liquidity agreement**

TOUAX SCA and GILBERT DUPONT entered into a market-making agreement on October 17, 2005. A liquidity account was created for transactions in order to improve the liquidity of the TOUAX shares.

- **Securities management - pure registered and administered stockholders**

CM-CIC Securities provides the share service for TOUAX SCA. The share service involves keeping a list of pure registered and administered share accounts and managing all associated formalities. Further information can be obtained from CM-CIC Securities – 6, avenue de Provence – 75441 PARIS Cedex 09, France.

19. RELATED PARTIES TRANSACTIONS

The Group has not entered into any significant transactions with related parties other than those described in the notes to the consolidated financial statements in section 20.1 note 27 page 112 (see the Statutory Auditors' report on regulated agreements and commitments, section 20.3.2 page 116.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND RESULT

20.1. CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated income statement presented by function at December 31				
note n°	*(€ thousands)*	**2014**	2013	2012
	Leasing revenue	206 189	206 104	219 034
	Sales of equipment	172 502	143 158	138 952
	TOTAL REVENUE	**378 691**	**349 262**	**357 986**
	Capital gain (loss) on disposals	172	(13)	(22)
4	**Revenue from ordinary activities**	**378 863**	**349 249**	**357 964**
	Cost of sales	(157 363)	(127 835)	(122 917)
	Operating expenses	(97 859)	(91 193)	(91 493)
	Selling, general and administrative expenses	(28 693)	(27 734)	(25 288)
	GROSS OPERATING MARGIN (EBITDAR)	**94 948**	**102 487**	**118 266**
9	Depreciation, amortization and impairments	(36 013)	(37 949)	(32 157)
	OPERATING INCOME before distribution to investors	**58 935**	**64 538**	**86 109**
10	Net distributions to investors	(54 946)	(51 626)	(56 490)
	CURRENT OPERATING INCOME	**3 989**	**12 912**	**29 619**
11	Other revenues (expenses), net	134	(5 563)	(577)
	OPERATING INCOME	**4 123**	**7 349**	**29 042**
	Interest income	205	207	101
	Interest expense	(17 509)	(19 830)	(17 594)
	Net interest expense	**(17 304)**	**(19 623)**	**(17 493)**
	Other financial income (expenses), net	(421)	(677)	(74)
12	**NET FINANCIAL EXPENSE**	**(17 725)**	**(20 300)**	**(17 567)**
	Profit (loss) of investments in associates			
	PROFIT BEFORE TAX	**(13 602)**	**(12 951)**	**11 475**
13	Income tax benefit (expense)	423	(1 928)	(2 749)
	NET INCOME OF CONSOLIDATED COMPANIES	**(13 179)**	**(14 879)**	**8 726**
	Income from discontinued activities			
	CONSOLIDATED NET INCOME (LOSS)	**(13 179)**	**(14 879)**	**8 726**
	including portion attributable to			
	- non controlling interests (Minority interests)	283	(424)	420
	- owners of the parent company	**(12 896)**	**(15 303)**	**9 146**
14	**Net earning per share (euro)**	**(2,19)**	**(2,63)**	**1,60**
14	**Diluted net earnings per share (euro)**	**(2,19)**	**(2,63)**	**1,60**

note n°	Consolidated income statement presented by type at December 31 (€ thousands)	**2014**	2013	2012
	Revenue	**378 691**	**349 262**	**357 986**
	Capital gain (loss) on disposals	172	(13)	(22)
4	**Revenue from ordinary activities**	**378 863**	**349 249**	**357 964**
5	Other purchases and external charges	(253 039)	(209 917)	(209 141)
6	Staff costs	(32 316)	(31 954)	(29 513)
7	Other operating revenues & expenses	(5 241)	(158)	372
	GROSS OPERATING PROFIT	**88 267**	**107 220**	**119 682**
8	Operating Provisions	6 681	(4 733)	(1 416)
	GROSS OPERATING MARGIN (EBITDAR)	**94 948**	**102 487**	**118 266**
9	Depreciation, amortization and impairments	(36 013)	(37 949)	(32 157)
10	**OPERATING INCOME before distribution to investors**	**58 935**	**64 538**	**86 109**
	Net distributions to investors	(54 946)	(51 626)	(56 490)
	CURRENT OPERATING INCOME	**3 989**	**12 912**	**29 619**
11	Other revenues (expenses), net	134	(5 563)	(577)
	OPERATING INCOME	**4 123**	**7 349**	**29 042**
	Interest income	205	207	101
	Interest expense	(17 509)	(19 830)	(17 594)
	Net interest expense	**(17 304)**	**(19 623)**	**(17 493)**
	Other financial income (expenses), net	(421)	(677)	(74)
12	**NET FINANCIAL EXPENSE**	**(17 725)**	**(20 300)**	**(17 567)**
	Profit/(loss) of investments in associates			
	PROFIT BEFORE TAX	**(13 602)**	**(12 951)**	**11 475**
13	Income tax benefit (expense)	423	(1 928)	(2 749)
	NET INCOME OF CONSOLIDATED COMPANIES	**(13 179)**	**(14 879)**	**8 726**
	Income from discontinued activities			
	CONSOLIDATED NET INCOME (LOSS)	**(13 179)**	**(14 879)**	**8 726**
	Including portion attributable to:			
	- non controlling interests (Minority interests)	283	(424)	420
	- owners of the parent company	**(12 896)**	**(15 303)**	**9 146**
10	**Net earnings per share**	**(2,19)**	**(2,63)**	**1,60**
10	**Diluted earnings per share**	**(2,19)**	**(2,63)**	**1,60**

Comprehensive income statement for the year (€ thousands)	**2014**	2013	2012
Consolidated net income (loss)	**(13 179)**	**(14 879)**	**8 726**
Other items of comprehensive income, net of taxes			
Translation adjustments	10 085	(5 756)	(1 113)
Translation adjustments on net investment in subsidiaries	147	(330)	953
Profits and losses on cash flow hedges (effective part)	756	1 260	(1 735)
Tax on comprehensive income	(23)	(364)	184
Total items that may be subsequently reclassified to profit or loss	**10 965**	**(5 190)**	**(1 711)**
including non-controlling interests (minority interest)	930	(265)	(622)
including holders of the parent company	10 035	(4 925)	(1 089)
Net income for the financial year attributable to:			
including non-controlling interests (minority interest)	(283)	424	(420)
including holders of the parent company	(12 896)	(15 303)	9 146
	(13 179)	**(14 879)**	**8 726**
including non-controlling interests (minority interest)	647	159	(1 042)
including holders of the parent company	(2 861)	(20 228)	8 056
TOTAL COMPREHENSIVE INCOME (LOSS)	**(2 214)**	**(20 070)**	**7 014**

Note No.	Consolidated balance sheet at December 31 (*€ thousands*)	**2014**	2013	2012
	ASSETS			
15	Goodwill	28 725	28 599	34 120
16	Intangible assets	1 126	1 045	1 423
17	Rental equipment & other property plant & equipment, net	504 590	523 772	518 311
18	Long-term financial assets	2 706	2 385	2 339
18	Other non-current assets	4 810	5 828	7 082
13	Deferred tax assets	50	1 207	494
	TOTAL non-current assets	**542 007**	**562 836**	**563 769**
19	Inventory and work-in-progress	36 749	61 091	70 866
18	Trade receivables, net	50 717	48 454	62 654
20	Other current assets	15 170	18 292	19 701
18	Cash and cash equivalents	79 917	53 895	59 144
	TOTAL current assets	**182 553**	**181 732**	**212 365**
	TOTAL ASSETS	**724 560**	**744 568**	**776 134**
	LIABILITIES			
	Share capital	47 070	47 070	45 922
	Hybrid capital	50 161	32 439	
	Reserves	78 311	92 650	93 910
	Profit (loss) for the fiscal year, Group's share	(12 896)	(15 303)	9 146
	Equity attributable to the owners of the parent company	**162 646**	**156 856**	**148 978**
	Non controlling interests (Minority interests)	21 909	27 549	24 035
21	**Consolidated shareholders' equity**	**184 555**	**184 405**	**173 013**
18	Loans and borrowings	313 191	310 496	368 873
13	Deferred tax liabilities	9 911	6 388	5 658
23	Employee benefits	266	389	359
24	Other long-term liabilities	1 508	3 009	1 102
	TOTAL non-current liabilities	**324 876**	**320 282**	**375 992**
22	Provisions	1 173	2 199	566
18	Loans and borrowings	125 915	143 092	122 910
18	Trade payables	28 249	28 129	29 415
25	Other current liabilities	59 792	66 461	74 238
	TOTAL current liabilities	**215 129**	**239 881**	**227 129**
	TOTAL LIABILITIES	**724 560**	**744 568**	**776 134**

The presentation of trade payables and other current liabilities was amended in 2012 and 2013 (see Note 1: change to presentation)

Changes in consolidated shareholders' equity

(€ thousands)	Share capital (2)	Premiums (2)	Consolidated reserves	Conversion reserves	Variation in the fair value of derivatives (swaps) (1)	Comprehensive income for the year	TOTAL equity attributable to the owners of the parent company	Non controlling interests (Minority interests)	TOTAL shareholders' equity
POSITION AT JANUARY 1, 2012	**45 767**	**35 865**	**52 782**	**(626)**	**(340)**	**13 434**	**146 883**	**(567)**	**146 316**
Revenue (charges) recognised directly in shareholders' equity				(122)	(968)		**(1 090)**	(622)	**(1 712)**
Comprehensive income for the year						9 146	**9 146**	(420)	**8 726**
TOTAL charges and revenue recognised				**(122)**	**(968)**	**9 146**	**8 056**	**(1 042)**	**7 014**
Capital increase	156	233					**389**		**389**
General Partners' statutory compensation			(981)				**(981)**		**(981)**
Appropriation of the 2011 net result			13 434			(13 434)			
Dividends		(2 482)	(3 232)				**(5 714)**		**(5 714)**
Change in the scope of consolidation and others			165		174		**338**	25 644	**25 982**
Treasury shares			6				**6**		**6**
AT DECEMBER 31, 2012	**45 923**	**33 616**	**62 175**	**(749)**	**(1 134)**	**9 146**	**148 978**	**24 035**	**173 013**
POSITION AT JANUARY 1, 2013	**45 923**	**33 616**	**62 175**	**(749)**	**(1 134)**	**9 146**	**148 978**	**24 035**	**173 013**
Revenue (charges) recognised directly in shareholders' equity				(5 511)	586		**(4 925)**	(265)	**(5 190)**
Comprehensive income for the year						(15 303)	**(15 303)**	424	**(14 880)**
TOTAL charges and revenue recognised				**(5 511)**	**586**	**(15 303)**	**(20 228)**	**159**	**(20 070)**
Capital increase	1 147	(1 148)						4 160	**4 160**
Purchase of share subscription warrants		(240)	(270)				**(510)**		**(510)**
General Partners' statutory			(892)				**(892)**		**(892)**
Appropriation of the 2012 net result			9 146			(9 146)			
Issue of hybrid capital			32 439				**32 439**		**32 439**
Dividends			(2 867)				**(2 867)**	(891)	**(3 758)**
Change in the scope of consolidation and others			(72)				**(72)**	86	**14**
Treasury shares			8				**8**		**8**
AT DECEMBER 31, 2013	**47 070**	**32 228**	**99 667**	**(6 260)**	**(548)**	**(15 303)**	**156 856**	**27 549**	**184 405**
POSITION AT JANUARY 1, 2014	**47 070**	**32 228**	**99 667**	**(6 260)**	**(548)**	**(15 303)**	**156 856**	**27 549**	**184 405**
Revenue (charges) recognised directly in shareholders' equity				9 668	367		**10 035**	929	**10 964**
Comprehensive income for the year						(12 896)	**(12 896)**	(283)	**(13 179)**
TOTAL charges and revenue recognised				**9 668**	**367**	**(12 896)**	**(2 861)**	**646**	**(2 214)**
Repayment of a shareholders' equity								(4 178)	**(4 178)**
Purchase of share subscription warrants									
General Partners' statutory compensation			(509)				**(509)**		**(509)**
Appropriation of the 2013 net result			(15 303)			15 303			
Dividends			(5 858)				**(5 858)**	(2 108)	**(7 966)**
Issuance Hybrid Capital			19 182				**19 182**		**19 182**
Coupon Hybrid Capital			(4 060)				**(4 060)**		**(4 060)**
Change in the scope of consolidation			(2)				**(2)**		**(2)**
Others			(26)				**(26)**		**(26)**
Treasury shares			(76)				**(76)**		**(76)**
AT DECEMBER 31, 2014	**47 070**	**32 228**	**93 015**	**3 408**	**(181)**	**(12 896)**	**162 646**	**21 909**	**184 555**

(1) The effective part of the cash flow hedge on interest rate instruments is recognized in shareholders' equity.
(2) including redeemable warrants and stock options.

Consolidated cash flow statement at December 31				
	(€ thousands)	**2014**	2013	2012
	Consolidated net income/(loss)	(13 179)	(14 880)	8 726
	Profit/(loss) of investments of associates			
	Depreciation and amortization	35 085	40 649	30 794
	Change in deferred taxes	(1 622)	(157)	(193)
	Capital gains & losses on disposals	(6 736)	(5 256)	(6 202)
	Other non-cash income (expense), net	208	4 228	(435)
	Self-financing capacity after cost of net financial debt & tax	**13 756**	**24 584**	**32 690**
	Net interest expense	17 304	19 623	17 493
	Income Tax paid	1 199	2 085	2 910
	Self-financing capacity before cost of net financial debt & tax	**32 260**	**46 292**	**53 092**
	Income Tax paid	(1 199)	(2 085)	(2 910)
A	Change in working capital (excluding change in inventory)	12 426	11 722	1 374
B	Change in inventory	3 636	(9 094)	(38 694)
C	Change in working capital related to rental equipment purchases	(16 079)	3 686	11 543
	Purchase of rental equipement	(20 467)	(46 061)	(63 064)
	Proceeds from sale of rental equipment	44 609	20 311	14 625
	Net impact of finance leases granted to customers	1 896	556	1 415
	Sub-total	13 595	(30 601)	(74 175)
	I - CASH FLOW FROM OPERATING ACTIVITIES	**57 082**	**25 328**	**(22 619)**
	Investing activities			
	Acquisition of PPE and intangible assets	(1 629)	(1 168)	(1 621)
	Acquisition of equity interests			
	Net change in financial fixed assets	(194)	(98)	391
	Proceeds from sale of property plant and equipment	1 494	100	10
	Change in the scope of consolidation		(6 097)	(18 443)
	II - CASH FLOW FROM INVESTING ACTIVITIES	**(329)**	**(7 263)**	**(19 663)**
	Financing transactions			
	Receipts from borrowings	35 364	34 572	167 940
	Repayments of borrowings	(60 581)	(65 546)	(95 863)
	Net change in borrowings	**(25 217)**	**(30 974)**	**72 077**
	Net increase in shareholders' equity (capital increase)	15 001	36 523	9 658
	Interest expense	(17 304)	(19 623)	(17 493)
	Dividends to shareholders of TOUAX SCA	(2 919)	(2 868)	(5 668)
	Dividends to minority shareholders	(2 108)	(892)	
	General Partners' statutory compensation	(509)	(892)	(981)
	Hybrid Capital coupons	(4 060)		
	Net sale (acq.) of warrants		(510)	
	Net sale (acquisition) of treasury shares	(77)	9	7
	III - CASH FLOW FROM FINANCING ACTIVITIES	**(37 193)**	**(19 227)**	**57 600**
	Effect of exchange rate fluctuations	3 862	(1 444)	(520)
	IV - CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS	**3 862**	**(1 444)**	**(520)**
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	**23 422**	**(2 606)**	**14 798**
	Analysis of cash flow			
	Cash position at start of year	46 757	49 363	34 565
	Cash position at year end	**70 179**	**46 757**	**49 363**
	CHANGE IN NET CASH POSITION	**23 422**	**(2 606)**	**14 798**

The presentation of changes to the working capital requirement excluding stocks and changes to investment working capital requirement was amended in 2012 and 2013 (see Note 1: change to presentation)

	(€ thousands)	**2014**	**2013**	2012
	Decrease/(increase) in inventory	3 636	(9 094)	(38 694)
B	**Change in inventory**	3 636	(9 094)	(38 694)
	Decrease/(increase) in trade receivables	204	13 308	6 117
	Decrease/(increase) in other current assets	2 569	1 580	(820)
	(Decrease)/increase in trade payables	(643)	(778)	(3 062)
	(Decrease)/increase in other liabilities	10 296	(2 388)	(861)
A	**Change in Working Capital excluding change in inventory**	**12 426**	**11 722**	**1 374**
	Decrease/(increase) in receivables / fixed assets	(7)	51	(18)
	(Decrease)/increase in liabilities / fixed assets	(16 072)	3 635	11 561
C	**Change in Working Capital for investment**	**(16 079)**	**3 686**	**11 543**

The change in net cash position presented in the cash flow statement corresponds to the change of cash and cash equivalents included on the balance sheet after deducting bank overdrafts. The analysis of the debt by type (note 18.2.1) shows a total amount of bank overdrafts of €9 million.

According to the amendment to IAS 7: *"cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of IAS 16 Property, Plant and Equipment are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities."*

Therefore, the cash flow statement shows the Group's investments in rental equipment and the proceed from sale of rental equipment under cash flow from operations instead of cash flows from investing activities, in accordance with IFRS. Similarly, repayments of Finance Leases granted to customers are henceforth included in cash flow from operations rather than as cash flow from investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant events and post-closure events:

➢ **Significant events:**

In May 2014, TOUAX successfully completed the disintermediated issuance of €18 million of Undated Super Subordinated Notes (TSSDI). These undated securities enable TOUAX to reserve the right to redeem them at par from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% until 2019 under certain conditions at the company's discretion. Under IFRS (International Financial Reporting Standards) rules, these notes are booked entirely to stockholders' equity. This issue strengthens the Group's financial structure.

➢ **Post-balance sheet events**

TOUAX SCA paid an interim dividend on 2 January 2015 in respect of the 2014 fiscal year of approximately €2.9 million. This interim dividend was decided by the Managing Partners on 19 December 2014 and was accounted for minus the shareholders' equity on 31 December 2014.

NOTE 1. ACCOUNTING RULES AND METHODS

note 1.1. BASES FOR PREPARING AND PRESENTING THE ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

Approval of the financial statements

The financial statements as of December 31, 2014 and the associated notes were approved by the TOUAX SCA Managing Partners on March 12, 2015 and presented to the Supervisory Board on March 13, 2015.

Accounting rules and methods

In pursuance of Regulation No. 1606/2002 adopted July 19, 2002 by the European Parliament and the European Council, the consolidated financial statements of the TOUAX Group for the 2014 fiscal year were prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) on December 31, 2014 and adopted by the European Union, on the date the accounts were closed.

Change in the presentation

Liabilities related to the acquisition of new containers at plants were presented as accounts payables on the balance sheet and working capital requirements excluding stock in the cash flow statement. With effect from 2014, we have been presenting these debts as other current liabilities on the balance sheet and as change in working capital related to rental equipment purchases in the cash flow statement. We have reprocessed the three years presented in this appendix.

The reclassification of accounts payable as other current liabilities changes the presentation of the Balance sheet by 9.7 million in 2012 and 18.2 million in 2013 for each of the items.

This reclassification also changes the presentation of the cash flow statement. The change in operating working capital requirement excluding stock decreased by 9.9 million in 2012 and 8.5 million in 2013 to increase the change in working capital related to rental equipement purchases by these same amounts.

New standards, amendments and interpretations adopted by the European Union and which must be applied from January 1, 2014

The accounting policies applied are consistent with those used in preparing the annual consolidated financial statements for the year ended 31 December 2013, with the exception of new standards, amendments and interpretations effective from 1 January 2014:

- Revised IAS 27: Separate Financial Statements,
- Revised IAS 28: Investment in associate companies,
- IFRS 10: Consolidated Financial Statements,
- IFRS 11: Partnership,
- IFRS 12: Disclosure of Interests in Other Entities,
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities,
- Amendments to IFRS 10,11,12 - transitional provisions,
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entity,
- Amendment to IAS 36 – Recoverable amount disclosures for non-financial assets,
- Amendments to IAS 39: Eligible Hedged Items.

None of these new standards and interpretations had a significant effect on the consolidated financial statements on 31 December 2014.

Moreover, these principles do not differ from the IFRS standards issued by the IASB, in that there would be no significant impact resulting from the application of the amendments and interpretations, whose implementation is mandatory for financial years beginning on or after 1 January 2014 in the documents issued by the IASB but which is not yet thus in the documents endorsed by the European Union.

In addition, the Group did not anticipate the standards and interpretations adopted by the European Union and whose mandatory application is backdated to 1 January 2015:

- IFRS 2011-2013 Cycle Improvement (applicable on 1 January 2015)

Lastly, the Group has not applied the following texts, which had not been adopted by the European Union on 31 December 2014:

- IFRS 14 Regulatory deferral account (applicable from 1 January 2016),
- IFRS 15 Revenue from contracts with customers (applicable from 1 January 2017),
- IFRS 9 Financial Instruments (applicable from 1 January 2018),
- IFRS 9 Accounting for hedging instruments, IFRS 9, IFRS 7 and IAS 39 (date of application not fixed),
- IAS 19 Defined Benefit Plans: Employee Contributions (applicable from 1 January 2015),
- IFRS 11 Accounting for acquisitions of interests in a joint venture (applicable from 1 January 2016),
- IAS 16 and IAS 38 Clarification on acceptable amortization methods (applicable from 1 January 2016),
- IAS 27 Using the equity method in separate financial statements (applicable from 1 January 2016),
- IFRS 10 and IAS 28 Sale or transfer of assets between an associated company and joint venture (applicable from 1 January 2016),
- IFRS improvements 2012-2014 cycle (applicable from 1 January 2016),
- IAS 1 Disclosure initiative (effective 1 January 2016),
- IFRS 10, IFRS12 and IAS 28: Application for exemption from consolidation (applicable from 1 January 2016).

The Group is still in the process of analysing the practical consequences of these new texts and the effects of their use in future accounting. At this stage of the analysis, the expected impact on the financial statements is not significant.

General evaluation principles

The Group's consolidated financial statements are prepared using the historical cost principle.

note 1.2. ESTIMATES

Drawing up financial statements in accordance with IFRS standards has led management to perform estimates and put forward assumptions affecting the book value of certain assets and liabilities, income and expenses, as well as the information given in certain notes to the statements.

Since these assumptions are intrinsically uncertain, actual information may differ from the estimates. The Group regularly reviews its estimates and assessments in order to take past experience into account and factor in any elements considered relevant regarding economic conditions.

The statements and information subject to significant estimates especially concern the appraisal of potential losses in value of the Group's tangible assets, goodwill, financial assets, derivative financial instruments, inventories and work in progress, provisions for risks and charges, and deferred taxes.

note 1.3. CONSOLIDATION METHODS

With effect from 1 January 2014 the Group is applying the new standards relating to the amended IFRS 10, 11, 12 and IAS 28 scope of consolidation.

IFRS 10 "Consolidated Financial Statements" is replacing the standard IAS 27 and the SIC 12 interpretation "Consolidation - Special Purpose Entities" for all aspects relating to the control and consolidation procedures according to the method of global integration. It redefines the concept of control of an entity on the basis of three criteria:

- power over the entity, that is, the ability to direct the activities that have the greatest impact on profitability;
- exposure to the entity's variable returns, which may be positive, in the form of a dividend or any other economic advantage, or negative;
- and the ability to exercise power over the entity so as to affect the returns obtained.

Companies in which the Group directly or indirectly holds a majority of the voting rights at the general meeting, on the Board of Directors or the management body, giving it the power to govern their financial and operating policies are deemed as being controlled and consolidated by the method of global integration.

IFRS 11 "Partnerships" replaces the standard IAS 31 for all aspects relating to accounting of jointly controlled entities.

Joint control is established when decisions about the relevant activities of the entity require the unanimous consent of the parties sharing control.

According to the standard, partnerships are classified into two categories (joint ventures and joint activities) depending on the nature of the rights and obligations held by each party. This classification is generally determined by the legal form of the legal vehicle employed to support the project.

- a joint venture (JV) is a partnership in which the parties (venturers) that have joint control over the entity have rights to the net assets of the latter. Joint ventures are consolidated using the equity method.
- a joint activity (joint operation) is a partnership in which the parties (venturers) have direct rights to the assets and direct obligations for the liabilities of the entity. Each venturer recognises its share of assets, liabilities, revenues and expenses related to its interests in the joint activity.

The amended IAS 28 defines the concept of significant influence and describes the method of equity applicable to investments in associates and joint ventures under the terms of IFRS 11. Associates are entities over which the Group has significant influence. Significant influence is presumed when the Group's interest is greater than or equal to 20%. It can nevertheless be proven in cases of lower holding percentages, especially where the Group is represented on the Board of Directors or in an equivalent governing body, that it contributes to the development of the entity's operational and financial policies as well as its strategic orientations.

A list of companies included in the consolidation perimeter is provided below in the appendix to the consolidated financial statements, note 2.2.

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

note 1.4. FOREIGN CURRENCY CONVERSION

note 1.4.1. CONVERSION OF CURRENCY FINANCIAL STATEMENTS FOR FOREIGN SUBSIDIARIES

The reporting currency of the Group is the euro.

The functional currency for subsidiaries is generally the local currency. When the majority of transactions is performed in a third currency, the operating currency is the third currency.

Financial statements for the Group's foreign companies are prepared in their functional currency. The accounts of foreign companies are converted into the Group's reporting currency (euro) as follows:

- Assets and liabilities of foreign subsidiaries are converted into euros at the closing exchange rate;
- Stockholders' equity, maintained at the historical rate, is converted at the closing exchange rate;
- The income and cash flow statements are converted at the average exchange rate for the period;
- Profits or losses resulting from the conversion of the foreign companies' financial statements are recognized in a conversion reserve included in the consolidated stockholders' equity.

Goodwill generated during the acquisition of foreign companies is recognized in the functional currency of the acquired company. The goodwill is then converted at the current exchange rate into the Group's presentation currency. Any differences resulting from the conversion are recognized in the consolidated stockholders' equity.

Following the disposal of a foreign subsidiary, the aggregated exchange differences in the "Conversion reserves" account since January 1, 2004 are recycled on the Income Statement as a component of the profit or loss from the disposal.

Exchange rate for the main currencies

Exchange rate: currency= 1 euro

	Closing rate		Average rate	
	2014	2013	**2014**	2013
Swiss Franc (CHF)	1,2024	1,2276	1,2146	1,2311
Czech Koruna (CZK)	27,7350	27,4270	27,5359	25,9797
Polish zloty (PLN)	4,2623	4,1472	4,1842	4,1975
US Dollar (USD)	1,2141	1,3791	1,3285	1,3281
Moroccan dirham (MAD)	11,002	11,264	11,1598	11,1809
Brasilian real (BRL)	3,2207	3,2576	3,1211	na
Pound sterling (GBP)	0,7789	0,8337	0,8061	na
Indian rupee (INR)	76,719	85,366	81,0406	77,93

note 1.4.2. CONVERSION OF TRANSACTIONS IN FOREIGN CURRENCY

Transactions by consolidated companies in foreign currency have been converted into their functional currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currency have been converted at the exchange rates prevailing on the Balance Sheet date. Latent exchange gains or losses from this conversion are booked to net financial income.

Exchange gains/losses arising from a monetary component, which is essentially an integral part of the net investment in a consolidated foreign subsidiary, are booked to a conversion reserve in stockholders' equity until the net investment has been sold or liquidated.

note 1.5. CONSOLIDATION OF ASSET SECURITIZATION TRANSACTIONS AND ASSET COMPANIES

Within the scope of third-party asset management, the Group takes part in the financing of asset companies.

This type of operations have enabled the Group to increase its capacity as an operating lessor by finding outside investors to buy the assets needed for the Group's leasing and services business, and which provide the funding.

SRF 1 is an asset company financed and held by outside investors. The Group does not control the company. SRF 1 is not included in the consolidated accounts.

Detailed analysis of the asset securitization operations:

In the case of special purpose entities, the voting rights have no significant impact on the returns of the entity because in general they relate to administrative decisions since the management of activities is often governed by contractual agreements.

The investor must analyse these contractual agreements to determine whether it has power over the entity. Some indicators in accordance with IFRS 10:

- The purpose and structure of the entity: mode of decision making in relation to relevant activities, who has the ability to direct the activities, who receives the yields from these activities, who bears the risks etc.
- The rights given by the contractual agreements established during the creation,
- The commitment by the investor to ensure that the actual operation of the entity conforms to its original concept,
- The relationship between the investor and the entity; managerial, technological and financial dependence.

The companies set up in connection with asset securitization are not consolidated if:

The Group does not have decision-making powers relating to relevant activities affecting the performance of the entities or their assets.

note 1.5.1. SRF I

a) SRF I was created in order to invest in assets and not for the Group's operational requirements. This company acquired 100% of the shares of DV01 (Hungary) and Dunavagon (Slovakia). These companies respectively hold 300 railcars and 267 railcars.

b) The TOUAX Group has no decision-making or executive power over SRF I. The Board of Directors takes the decisions regarding strategy based on the recommendations of a consultative committee of the majority stockholder. The TOUAX Group does not have, for example, the power to dissolve the entity, transfer activities to a third-party or carry out equity-related transactions; all of the Board's decisions must be unanimous.

c) Most of the benefits of SRF I's business are enjoyed by its majority stockholder. The TOUAX Group receives management fees for managing railcars on behalf of SRF I. The management fees are charged at the market rate and the Group incurs management expenses for a very similar amount.

Accordingly, given that the Group does not control SRF I as defined by IFRS 10 and IFRS 11, SRF I is not included in the scope of consolidation on December 31, 2014.

note 1.6. GOODWILL

Since the revision of IFRS 3, applied from January 1, 2010, goodwill corresponds, on the acquisition date, to the difference between:

- the fair value of the consideration transferred plus the amount of the minority interests in the acquiree and, in a merger of acquisition carried out in steps, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, revalued through the income statement, and
- the net balance of the amounts of the identifiable assets acquired and liabilities taken over measured at acquisition-date fair value.

For significant acquisitions, this fair-value measurement is carried out by independent experts.

Minority interests are either valued at their fair value, or at their share in the net identifiable assets of the acquired company. This option is available on a case-by-case basis for each merger operation.

The direct costs in connection with the acquisition are recognized in the period's expenses and are entered under other operating income and expenses, in the consolidated income statement.

Possible price adjustments for the acquisition or merger are valued at the fair value on the date of acquisition even if it is improbable that resources will be needed to discharge that obligation. After the acquisition date, the price adjustment is valued at its fair value at each year-end closing. After twelve months from the acquisition date, any change in the fair value of this price adjustment will be recognized in the income statement if the price adjustment is a financial liability.

In line with IFRS 3 "Business Combinations", goodwill assets are not amortized.

As required by IAS 36 "Impairment of Assets", they are subjected to an impairment test at least once a year, and at shorter intervals if there is any indication of a loss of value. The test is designed to ensure that the recoverable value of the cash-generating unit to which the goodwill is applied is at least equal to its net book value (see notes to the consolidated financial statements note 1.9). If an impairment is found, then an irreversible provision is charged to operating income, on a line of its own.

Should the TOUAX Group increase its percentage stake in an entity it already controls, the additional equity purchase is booked directly to stockholders' equity as the difference between the price paid for the shares and the additional proportion of the entity acquired.

In the event that shares are sold without loss of exclusive control, the difference between the shares' sale price and the share of consolidated equity at the date of the sale is recognized under stockholders' equity (Group's share). The consolidated value of the entity's identifiable assets and liabilities, as well as the goodwill, remain unchanged.

In the event that shares are sold with loss of exclusive control, the income from the sale is calculated on the entire holding at the date of the operation. If there is residual interest, it is evaluated at its fair value in the income statement at the moment that exclusive control is lost.

note 1.7. INTANGIBLE FIXED ASSETS

Computer software and development expenses which are included among Intangible Fixed Assets are depreciated using the straight-line method over their useful lifetimes. Development costs incurred between the decision to start development and the agreement to manufacture the item are booked as Intangible Fixed Assets. Development costs are regarded as fixed investments if they concern distinguishable projects with a realistic chance of technical success and commercial profitability. They are amortized over three years.

note 1.8. RENTAL EQUIPMENT & OTHER PROPERTY, PLANT & EQUIPMENT

note 1.8.1. VALUATION AT COST NET OF DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Except when acquired as part of a company takeover, rental equipment & other property, plant & equipment are booked at their acquisition or production cost. Gains arising on intra-group sales or purchases are eliminated in the consolidated accounts, as are revaluations due to mergers or partial takeovers. At the end of each fiscal period, the accumulated depreciation and impairment are deducted from the acquisition cost in accordance with IAS 36 Impairment of Assets (see the notes to the consolidated financial statements note 1.9).

The costs of borrowing used to finance assets defined by the amended IAS 23 are included in the cost of the assets involved. At present, no assets are eligible for application of the revised IAS 23.

note 1.8.2. "COMPONENT" APPROACH

IAS 16 "Property, plant, and equipment" (tangible fixed assets) requires that any of a fixed asset's main components that has a useful lifetime shorter than that of the fixed asset itself should be recognized separately so as to be depreciated over its own useful lifetime.

In TOUAX's case, the component approach applies particularly to the Wagons & River Barge division. A pushboat is broken down into hull and engines. The wagon is broken down into a body and revisions components.

note 1.8.3. DEPRECIATION

Rental equipment & other property, plant & equipment are depreciated and are calculated using the straight-line method over the asset's useful lifetime. Land is not depreciated.

Shipping containers are depreciated over 13 years and not 15 years as before, with a residual value which varies according to the type of container. The Group therefore still complies with the standards and best practices of the profession. The modification of the amortization plan for the shipping containers is a change in accounting estimates which complies with IAS 8, by prospective application in the accounts of the Group with a positive impact of $1.6 million on the 2013 profits.

The railcars are reviewed according to a timetable specified by the European standards. By incorporating the European VPI standard in 2013, the revision of the railcars were modified and were tied up in order to be depreciated over a period of 3, 6, 9 or 12 years depending on the type of review. The capitalization of these revision costs is a change in accounting estimates as defined by IAS 8, by prospective application in the accounts of the Group with a positive impact of €1 million on the 2013 profits.

Useful lifetimes for assets acquired new are as follows:

- Shipping containers ("dry" type) 13 years
- Modular buildings 20 years
- River transport (barges and pushboats) 30 years
- Freight railcars 30 years

The depreciation of the shipping containers provides for a residual value, which varies according to the type of container, in accordance with industry standards:

- 20'DC: $ 1000
- 40'DC: $ 1200
- 40'HC: $ 1400

Specific depreciation method:

Modular buildings in the USA are depreciated over 20 years with a residual value of 50% in accordance with American practice.

The modular buildings of the Moroccan entities acquired in July 2012 are depreciated over 10 years.

Assets acquired second-hand are depreciated using the straight-line method over their remaining useful lifetime.

Residual values are chosen in accordance with the Group's past experience. The residual value of Freight Railcars is considered nil.

Useful lifetimes of second-hand barges depend on their previous condition of use, and materials it carried (some materials being more corrosive than others). The expected lifetime of each barge bought second-hand is estimated on the basis of its date of construction, past use and the materials carried.

note 1.9. IMPAIRMENT OF ASSETS

According to IAS 36 "Impairment of Assets", the recoverable value of Tangible and Intangible Fixed Assets must be tested as soon as there is any indication of a loss of value (to the company or in the market), and is reviewed at the end of each financial period. This test is carried out at least once a year in the case of assets with an indefinite lifetime, which in the Group's case means goodwill.

For this test, fixed assets are grouped into Cash-Generating Units (CGUs). These are homogeneous groups of assets whose continuous use generates cash flows largely independent of the cash flows generated by other groups of assets. The recoverable value of these units is most often calculated from their value in use, i.e. from the discounted future net cash flows expected on the basis of business scenarios and on forecast operating budgets approved by senior management.

If a CGU's recoverable value is below its net book value, then an impairment is recognized. If the CGU contains an element of goodwill, the impairment is charged first against goodwill before any remaining impairment is charged to the CGU's other fixed assets.

However, in certain situations there may be impairment factors applying specifically to certain assets that justify a test and – depending on the outcome – an impairment of those assets regardless of which CGU they are attached to.

CGUs in the TOUAX Group consist of consolidated subsidiaries operating in the same line of business of the Group.

note 1.10. LEASES

As a provider of operating leases (to its customers) and a manager of assets under management contracts with investors (see notes to consolidated financial statements note 1.5, note 1.21.1, and note 1.21.2), the Group naturally contracts many leases, both as lessor and lessee.

Leases to customers have been analyzed in light of IAS 17 criteria. They correspond to operating leases, both those (the majority) that are short-term or long-term operational leases, and certain hire-purchase agreements refinanced by banking institutions whose clauses protect the Group from the risks inherent in the assets or customer default (non-recourse clauses benefiting the Group). The lease payments received (see note to the consolidated financial statements note 1.21.2) are booked to the income statement and do not vary over the duration of the lease. To a lesser extent, they may also correspond to finance leases granted to customers. The financial revenue from these leases is booked under Leasing Revenues.

The management contracts concluded by the Group with investors do not qualify under IAS 17 as finance leases. The amounts paid to these investors are posted under "net income distributed to investors" (see note to the consolidated financial statements note 1.21.6).

Assets managed by the Group on its own account are booked under Tangible fixed assets, if financed by means of finance leases, transferring to the Group virtually all the risks and benefits of ownership of the asset leased. They are recognized on the Assets side of the Balance Sheet, either at the leased asset's fair value at the start of the lease or at the discounted present value of the minimum financial lease payments, whichever is lower. The corresponding debt is entered under Financial Liabilities. Lease payments are broken down into financial charges and amortization of the debt, in such a way as to obtain a constant periodic rate on the balance of the remaining debt. The assets under a finance lease are depreciated over their useful lifetime in accordance with Group rules (see notes to the consolidated financial statements **Erreur ! Source du renvoi introuvable.**). They are tested for impairment under IAS 36 "Impairment of Assets" (see notes to the consolidated financial statements note 1.9).

Assets on lease to the Group (its head office, other administrative buildings, and some equipment) are operating leases yet the lessor retains virtually all the risks and rewards of ownership of the asset. Payments on these leases are charged to the Income Statement, and do not vary over the duration of the lease.

note 1.11. INVENTORIES

Inventories essentially consist of goods bought for resale in the Shipping Container and Freight Railcar divisions, and to a lesser extent in the Modular Building division. The inventory turnover period is under a year.

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

Net realizable value is the estimated price of a sale in the normal course of business, less estimated finishing and selling costs.

note 1.12. PROVISIONS

A provision is made in the accounts if, on the relevant Balance Sheet date, the Group has contracted an obligation (whether legally expressed or implicit) and it is probable that a reliably predictable amount of resources will be needed to discharge that obligation.

Provision is made for lawsuits and disputes (industrial, technical, or tax-related) as soon as there is an obligation by the Group to another party on the Balance Sheet date. The amount of the provision made depends on the best estimate of the foreseeable expense.

note 1.13. EMPLOYEE BENEFITS

The Group's superannuation commitments consist only of severance payments for its French companies' employees: these are "defined benefit schemes" in the terms of IAS 19 Employee Benefits. Under these schemes, the Group undertakes to pay benefits either on leaving the Group (severance payments) or during retirement. The Group's schemes are not funded, and a provision is made for them in the accounts. The Group has no commitments under any other significant defined benefit scheme nor under any defined contribution scheme.

The Group accounts for these superannuation commitments according to the Projected Unit Credit method as required under IAS 19. The method calls for long term actuarial assumptions concerning demographic parameters (staff revenues, mortality) and financial parameters (salary increases, discount rate) to be taken into account, These parameters to be reviewed annually. The effect on the total commitment of any changes in the actuarial assumptions is entered under Actuarial Differences. In compliance with IAS 19 the Group books these (positive or negative) actuarial differences to the Income Statement.

note 1.14. OPERATING SUBSIDY

The Group has chosen to present government subsidies in its Financial Statements as reductions of their related expenses, in accordance with IAS 20.

note 1.15. SHARE-BASED PAYMENTS

IFRS 2 "Share-based Payment", which applies to schemes granted after November 7, 2002, requires transactions paid for in shares or similar instruments to be valued in the company income statement and balance sheet. This standard applies to schemes granted after November 7, 2002. The three possible types of transactions specified in IFRS 2 are:

- Share-based transactions settled in equity instruments;
- Share-based transactions settled in cash;
- Share-based transactions settled in equity instruments or in cash.

Share-based staff benefits are booked under staff costs and spread over the acquisition period of the entitlements; a counter-entry is made in the form of an increase in stockholders' equity.

note 1.16. LONG-TERM LIABILITIES

Other long-term liabilities concern those portions of liabilities other than loans and borrowings which are due in over a year, such as commercial commitments on contracts with a repurchase agreement by the Group, as well as leasing income deferred for more than one year, over the duration of the contract.

note 1.17. TREASURY SHARES

The treasury stock held by the Group is registered at its acquisition cost as a deduction from stockholders' equity. Gains from the disposal of treasury stock are stated directly as an increase in stockholders' equity, such that capital gains or losses do not affect the consolidated result.

note 1.18. FINANCIAL INSTRUMENTS

note 1.18.1. FINANCIAL ASSETS

The Group's financial assets include the following:

- non-current financial assets: guarantees and other deposits for equity securities of non-consolidated companies, loans;
- non-current assets: The Group's assets include assets held as finance leases in which acts as a silent partner;
- current Financial Assets including trade receivables and other operating credits, as well as cash or its equivalents (negotiable securities).

Financial assets are valued on the Balance Sheet date in accordance with their classification under IAS 39.

✓ Financial assets whose changes in fair value are booked in the income statement

Negotiable securities are valued at their fair value on the Balance Sheet date, and changes in their fair value are booked to net financial revenue: they are not, therefore, tested for impairment. Fair values are determined in most cases by reference to listed market prices.

- ✓ Loans and receivables

For the Group, this category includes:

- long term loans,
- trade receivables and other operating credits.

These financial assets are valued at cost, amortized using the "effective interest rate" method.

- ✓ Assets Held to maturity

These are fixed-maturity non-derivative financial assets with either fixed or calculable yield and which the firm intends and is able to keep until they mature. These assets do not include loans and receivables, nor those financial assets classified under the two other categories (assets with changes in fair value booked to the Income Statement, or assets available for sale).

These financial assets are valued at cost, amortized using the "effective interest rate" method.

- ✓ Assets Available for Sale

This covers assets that do not fall into any of the above categories. They are valued at fair value—changes in fair value are booked under stockholders' equity until they are actually sold. Among other things, this category includes stockholdings in non-consolidated firms. In the case of listed securities, the fair value is the market price. If the fair value cannot be reliably ascertained, the securities are carried at their historic cost. On each balance sheet date, the fair value of financial assets available for sale is determined and entered among assets. If there is any objective indication of a loss of value (significant and lasting impairment), then an irreversible write-down is booked to the income statement, and not restored there (if at all) until the securities are sold.

- ✓ Impairment testing of financial assets

All assets valued at amortized cost and assets available for sale must undergo an impairment test at the end of each financial period, whenever there is any indication that they may have lost value.

In the case of assets valued at amortized cost, the amount of the impairment recognized is the difference between the asset's book value and the discounted present value of the future cash flows expected in light of the counterparty's situation. It is calculated using the financial instrument's real original interest rate. Expected cash flows from short-term assets are not discounted.

note 1.18.2. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance sheet item is made up of current bank account balances and cash-based UCITS holdings that can be liquidated in the short term.

UCITS holdings with a negligible risk of changing value are categorized as highly liquid short-term holdings.

The net cash position from the cash flow statement is determined on the basis of cash holdings, as defined above, less current bank advances and overdrafts.

note 1.18.3. FINANCIAL LIABILITIES

The Group's financial liabilities include bank loans, interest-bearing bond issues and derivative instruments.

The loans are broken down into current liabilities (the part repayable within the twelve months following the balance sheet date) and non-current liabilities (amounts due at more than twelve months).

Interest-bearing loans are initially booked at historic cost, less the associated transaction costs.

Financial liabilities are then valued on the Balance Sheet date at their cost amortized using the "effective interest rate" method.

Bonds with redeemable share subscription warrants (OBSARs – "Emprunts obligataires avec bons de subscription d'actions remboursables")

OBSARs are hybrid securities; their components are analyzed, valued and recognized separately, in accordance with the provisions of IAS 32.

Analysis of the OBSAR contract issued by the company on March 8, 2007 maturing in March 2012 resulted in separate recognition on the issue date of a debt component and an equity component represented by the conversion option inherent in the redeemable share subscription warrants (BSARs).

The debt component relates to the issuer's contractual obligation to pay the bondholders in cash (the quarterly coupon; and the borrowed capital, on or before the date of maturity).

In line with IAS 39, the fair value of the debt component has been determined by discounting the future cash flows contracted for, at the prevailing market rate on the date of issue for a conventional debenture without any conversion option, but in all other respects identical to the OBSARs in question.

In view of the relatively insignificant size of the equity component compared to the debt component, the issue costs were charged entirely to the debt component.

The interest charge is recognized in net financial revenue according to the effective interest rate method, incorporating the OBSARs' issue costs.

The book value of the equity component (BSAR) was calculated as the difference between the issue price of the OBSARs and the debt component discounted as indicated above. The equity component is recognized in a special reserve account and will be transferred to consolidated reserves once the shares involved in the exercise of the warrants have been taken up. This value is not revised in subsequent financial periods.

Some of the redeemable share subscription warrants have been sold to the Group's executives. As the warrants' sale price was close to their market value, no charge has been recognized, in accordance with IFRS 2.

A deferred tax liability applying to the equity component is charged to consolidated reserves and then gradually eliminated by charging to net financial income as required by the IFRS.

The bond component of this OBSAR was redeemed in March 2012 and therefore is no longer included in the accounts at December 31, 2012.

note 1.18.4. Group's exposure to currency risk and interest rate risk – Financial derivatives

In 2014, the Group signed forward currency contracts (maturing in 2015) in order to hedge debts in USD, Czech Koruna and Polish zloty. These derivatives constitute fair value hedges. The item hedged is revalued and the hedge itself is valued and accounted at its fair value.

Some of the Group's operations are financed by variable-rate loans, some of which are hedged by interest rate derivatives, in order to reduce the Group's exposure to interest rate risk.

Variable rate borrowings hedged by interest rate swaps are subject to cash flow hedge accounting. Changes in the swaps' fair value due to movements in interest rates are booked to stockholders' equity to the extent that they are effective, which is tested using the IAS 39 criteria; otherwise they are accounted directly in net financial revenue.

note 1.19. Issue of undated securities

The Group issued Undated Super Subordinated Notes (TSSDI) on three occasions. Two issues took place in 2013 for a nominal amount of €32.775 million and the third issue took place in May 2014 for a nominal amount of €18.025 million. These three issues amounting to a total of €50.8 million form one unique stub. These undated securities give TOUAX the option to pay them back at par value from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. Payment of the coupon is only mandatory if dividends are paid. Under IFRS (International Financial Reporting Standards) rules, these securities are booked entirely to stockholders' equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of its assets and its business financing requirements.

note 1.20. Taxes on Corporate Income

Deferred taxes are recognized (undiscounted) according to the method of variable carrying-forward of the differences due to timing between the assets' and liabilities' values for tax purposes and their book values in the consolidated accounts. In this way each financial period is assigned its appropriate tax charge, particularly in view of the temporary discrepancies that may arise between the date when certain revenues and charges are booked and their effective date for tax purposes.

Any deferred tax assets resulting from these temporary differences (tax losses to be carried forward) are only retained on the books to the extent that the companies involved (or groups of companies consolidated for tax purposes) are reasonably sure of realizing the benefits in subsequent years.

Tax rates used in calculating deferred taxes are the rates known on the Balance Sheet date.

Tax assets and liabilities applying to the same tax entity (or fiscally-consolidated group) are offset in the Balance Sheet.

Deferred tax is recognized as a revenue or charge in the Income Statement unless it relates to a transaction or event recognized directly in stockholders' equity.

Deferred taxes are presented on their own lines in the Balance Sheet, under Fixed Assets or Non-Current Liabilities, as the case may be.

note 1.21. Revenues and expenses of ordinary activities

note 1.21.1. Revenue from ordinary activities: components

The Group is in the business of providing operating leases on standardized mobile equipment either owned by it or managed by it on behalf of investors.

In the latter case, the Group buys new equipment and then transfers ownership to investors. The investors entrust management of their assets to the Group under management contracts. Equipment managed by the Group is rented out to its customers (see notes to the consolidated financial statements note 1.21.2 and note 1.21.3).

The Group also has trading activities (buying goods for resale – see notes to the consolidated financial statements note 1.21.4).

Lastly, it sometimes sells its own equipment (fixed assets previously leased to customers), either to investors or third parties (see notes to the consolidated financial statements note 1.21.6).

note 1.21.2. Recognition and Recording of revenues and expenses connected with management Agreements

The Group operates and manages equipment on behalf of third-parties as part of its shipping container and freight railcar leasing businesses. Asset pools are set up for this purpose, grouping together several investors including the Group. These pools group equipment usually of the same type and age. This form of organization makes it possible to share the revenues and expenses of equipment in a given pool.

According to an analysis of these management agreements in the light of international standards, the Group acts as principal both in its relations with investors (pools) on the one hand, and with customers on the other. the Group is entirely free to choose the customers, producers and suppliers it deals with, and to negotiate prices for the purchase, leasing and sale of the equipment it manages. Customers do not know the final owners of the equipment.

Accordingly the Group books all revenue and expense streams generated by these contracts to its Income Statement. It includes in its revenues the gross lease payments billed to its customers for all the pool-owned equipment it manages. The operating expenses of all the equipment managed are booked under Operating Expenses. A proportion of the net revenues is then returned to the investors (see notes to the consolidated financial statements note 1.21.6).

As required by IAS 18, the Group must determine if it is acting as a principal or as an agent.

With regard to the following factors, the Group believes that it acts as a principal within the scope of its transactions. The criteria for concluding that a company is acting as principal are as follows:

• The company has the primary responsibility for providing goods or services, for example by being responsible for the quality of goods and services ordered or sold to the customer. The Group directly signs lease agreements with customers. Customers do not know the owners of the equipment.

• The company bears the risks associated with holding stocks before the customer order, during transportation or in case of return. The Group supports any risks linked to material in the first place. The Group may then have recourse to the owners for compensation.

• The company is free to set selling prices, directly or indirectly. The Group has complete freedom in the choice of its customers and rental rates, without reference to the owners of the equipment.

In view of these characteristics, it may be concluded that TOUAX is acting as principal.

note 1.21.3. LEASING REVENUES

Leasing revenues are the receipts from leasing out (on operating or financial leases) the equipment managed by the Group, for itself or on behalf of others, in the Group's four business divisions, as well as the receipts from additional services billed in the course of arranging those leases. It also includes the River Barge division's receipts from the freight, chartering and storage business. Interest income on finance leases to customers is also booked under leasing revenues.

Changes in leasing revenues are therefore directly connected with the equipment owned or managed by the Group, the leasing rates, and the utilization rate of the equipment.

When the sale of modular buildings is accompanied by a firm repurchase agreement at a fixed price (sale with repurchase clauses), the revenue from the sale is not booked immediately upon delivery as revenues from sales of equipment. Rather, it is recognized as lease payments which do not vary over the duration of the contract, for the difference between the sales price and the purchase price agreed with the customer. Those same modular buildings are capitalized, and are depreciated using the same Group depreciation schedule as for other modular buildings owned directly by the Group.

note 1.21.4. SALES OF EQUIPMENT

Sales of equipment corresponds to the revenue generated by trading, sales to investors in the Shipping Container and Freight Railcar divisions, and income from the sale of fixed assets intended for leasing. The corresponding purchases of equipment and the net book values are booked under External Purchases and Expenses in the type-classified Income Statement, and under Cost of Sales in the function-classified Income Statement. Equipment bought and not yet resold is accounted for in the end-of-period inventories (see notes to the consolidated financial statements note 1.11). Assignments of finance lease receivables are also included in Sales of equipment.

note 1.21.5. OPERATING PROVISIONS

This item mainly records further allocations to and drawings from provisions for bad and doubtful debts.

note 1.21.6. NET DISTRIBUTIONS TO INVESTORS

The operating revenues and expenses of assets that are part of investor pools (see notes to the consolidated accounts note 1.21.2) are broken down by pool, and the net revenues from each, less a management fee retained by the Group, are distributed among the pools' investors according to distribution rules established for each management program.

The portion of these revenues to be paid to the outside investors is recognized under net distributions to investors, in accordance with asset-management industry practice.

note 1.21.7. OTHER REVENUES (EXPENSES), NET

The significant, unusual or infrequent elements are presented separately in the income statement in other operating revenues (expenses), net. In particular, this section includes the goodwill impairment, the acquisition costs of the equity investments, the variations in the fair value of the additional amounts included in the prices agreed when acquiring stock and the restructuring costs.

note 1.22. OPERATING INCOME

Operating income is the difference between non-financial pretax revenues and expenses, excluding those from discontinued activities or activities currently being disposed of.

EBITDA (*Earnings before interest, tax, depreciation and amortization*), after distribution to investors, is an important indicator for the Group, allowing it to assess economic performance. It corresponds to the operating income after distribution to investors, but before depreciation and impairments recorded through impairment tests under IAS 36 (see the notes to the consolidated financial statements note 1.9). EBITDAR ("Earnings before interest, tax, depreciation, amortization and rent") is calculated before the distribution to investors and corresponds to the EBITDA increased by the distribution to investors. The EBITDAR reflects the performance of all the business activities and equipment managed by the Group.

note 1.23. SEGMENT INFORMATION

In view of the Group's basic structure and its internal operational organization, the first level of segment information applied in accordance with IFRS 8 "Segment information" is that based on the Group's various Divisions.

The Group is in the business of providing operating leases on standardized movable assets. It conducts this business in four divisions: Shipping Containers, Modular Buildings, River Barges and Freight Railcars.

Geographic sectors depend on the location of markets and reflect asset locations.

For the Modular Building, River Barge and Freight Railcar businesses, the services, markets and customers are in the same location.

In the Shipping Container business, however, markets are in other locations than those of customers and services. The location of the markets and geographic zones of the Shipping Container business correspond to the location of the assets. The shipping containers are regularly moved from one country to another in the course of international trade, on hundreds of commercial shipping routes. The TOUAX Group has neither knowledge nor control over the location or movements of leased containers. Based on shipping container lease agreements in force on December 31, 2014, the containers may be in ports of over 100 countries worldwide. As a result, it is not possible to break down the revenue or assets of the Shipping Container business by geographic zone. The Shipping Container business is categorized in the international zone. This presentation is consistent with practices in the shipping container industry, often managed according to US GAAP.

NOTE 2. SCOPE OF CONSOLIDATION

note 2.1. CHANGES IN THE SCOPE OF CONSOLIDATION

Number of consolidated companies	2014	2013	2012
French companies	8	8	9
Foreign companies	38	35	37
TOTAL	**46**	**43**	**46**
Of which included in consolidation perimeter	3		8
Of which excluded from consolidation perimeter		3	1

The Ivory Coast TOUAX entity was established at the beginning of the year to develop new markets in Africa. This company is 100% owned by TOUAX Africa which itself is 51% owned by TOUAX SCA. This company is now consolidated according to the method of full consolidation.

The TOUAX UK entity was established in London during the first half of 2014, in order to develop our relationships with investors and the financial market in London. This company is 100% owned by TOUAX SCA. This company is now consolidated according to the method of full consolidation.

The TOUAX Do Brazil entity was formed in the 2nd half of 2014 in order to commercialise the sale of modular buildings in Brazil. This entity takes a commission on these transactions. This company is now consolidated according to the method of full consolidation.

note 2.2. LIST OF CONSOLIDATED COMPANIES IN 2014

COMPANY NAME	Activity	Geographical zone	Percentage of control	Method of consolidation
TOUAX SCA	Holding, parent company	Europe		
TOUAX CAPITAL SA	Services	Europe	99,99 %	FC*
TOUAX CORPORATE SAS	Services	Europe	100 %	FC*
TOUAX UK LIMITED	Services	Europe	100 %	FC*
GOLD CONTAINER Corporation	Shipping containers	North America	100 %	FC*
GOLD CONTAINER FINANCE Llc	Shipping containers	North America	100 %	FC*
GOLD CONTAINER Investment Ltd	Shipping containers	Asia	100 %	FC*
TOUAX CONTAINER Leasing Pte Ltd	Shipping containers	Asia	100 %	FC*
TOUAX CONTAINER LEASE RECEIVABLES Corp	Shipping containers	North America	100 %	FC*
TOUAX CONTAINER SERVICES SAS	Shipping containers	Europe	100 %	FC*
TOUAX CORP	Shipping containers	North America	100 %	FC*
TOUAX EQUIPMENT LEASING Corp	Shipping containers	North America	100 %	FC*
TOUAX FINANCE Inc.	Shipping containers	North America	100 %	FC*
TOUAX CONTAINER FINANCING Pte LTD	Shipping containers	Asia	100 %	FC*
TOUAX SOLUTIONS MODULAIRES SAS	Modular buildings	Europe	100 %	FC*
TOUAX SRO	Modular buildings	Europe	100 %	FC*
TOUAX SK SRO	Modular buildings	Europe	100 %	FC*
TOUAX Africa SAS	Modular buildings	Europe	51 %	FC*
MODUL FINANCE I SNC	Modular buildings	Europe	0 %	FC*
TOUAX Maroc Capital SARL	Modular buildings	Africa	51 %	FC*
SACMI SARL	Modular buildings	Africa	51 %	FC*
RAMCO SARL	Modular buildings	Africa	51 %	FC*
TOUAX COTE D'IVOIRE SARL	Modular buildings	Africa	51 %	FC*
TOUAX ASSETS BV	Modular buildings	Europe	100 %	FC*
TOUAX MODULAR BUILDING USA Llc	Modular buildings	North America	100 %	FC*
SIKO CONTAINERHANDEL GmbH	Modular buildings	Europe	100 %	FC*
TOUAX Sp.z.o.o	Modular buildings	Europe	100 %	FC*
TOUAX BV	Modular buildings	Europe	100 %	FC*
TOUAX CONSTRUCTION MODULAIRE SAS	Modular buildings	Europe	100 %	FC*
TOUAX ESPANA SA	Modular buildings	Europe	100 %	FC*
TOUAX NV	Modular buildings	Europe	100 %	FC*
TOUAX DO BRASIL LTDA	Modular buildings	South America	99,99 %	FC*
CFCL TOUAX Llc	Freight railcars	North America	51 %	FC*
SRF RAILCAR LEASING Ltd	Freight railcars	Europe	51 %	FC*
TOUAX RAIL Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL FINANCE Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL FINANCE 2 Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL INDIA Ltd	Freight railcars	Europe	88,74 %	FC*
TOUAX RAIL ROMANIA SA	Freight railcars	Europe	57,4996 %	FC*
TOUAX TEXMACO RAILCAR LEASING Pte Ltd	Freight railcars	Asia	44,3695 %	FC*
CS DE JONGE BV	River barges	Europe	100 %	FC*
EUROBULK TRANSPORTMAATSCHAPPIJ BV	River barges	Europe	100 %	FC*
TOUAX RIVER BARGES SAS	River barges	Europe	100 %	FC*
TOUAX LEASING Corp	River barges	North America	100 %	FC*
TOUAX ROM SARL	River barges	Europe	99,9978 %	FC*
TOUAX HYDROVIA Corp	River barges	South America	100 %	FC*

* Full consolidation

NOTE 3. SEGMENT INFORMATION

note 3.1. INCOME STATEMENT BY DIVISION

2	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	TOTAL
Leasing revenue	90 379	66 344	15 364	34 250	11 586	(11 734)	206 189
Sales of equipment	125 489	27 773	6 430	12 810			172 502
TOTAL REVENUES	**215 868**	**94 116**	**21 794**	**47 061**	**11 586**	**(11 734)**	**378 691**
Capital gain (loss) on disposals		172					172
Income from ordinary activities	**215 868**	**94 289**	**21 794**	**47 061**	**11 586**	**(11 734)**	**378 863**
Cost of sales	(121 111)	(23 048)	(4 772)	(8 439)		6	(157 363)
Operating expenses	(28 215)	(49 411)	(7 187)	(13 505)	62	397	(97 859)
Selling, general and administrative expenses	(8 763)	(9 052)	(4 256)	(6 580)	(11 372)	11 331	(28 693)
GROSS OPERATING MARGIN (EBITDAR)	**57 778**	**12 777**	**5 579**	**18 537**	**276**		**94 948**
Depreciation, amortization and impairments	(2 381)	(21 047)	(2 975)	(9 280)	(330)		(36 013)
INCOME PER BUSINESS before distribution to investors	**55 397**	**(8 270)**	**2 604**	**9 257**	**(53)**		**58 935**
Net distributions to investors	(51 416)	(1 319)		(2 211)			(54 946)
OPERATING INCOME PER BUSINESS after distribution to investor	**3 981**	**(9 588)**	**2 604**	**7 046**	**(53)**		**3 989**
CURRENT OPERATING INCOME	**3 981**	**(9 588)**	**2 604**	**7 046**	**(53)**		**3 989**
Other revenues (expenses), net		134					134
OPERATING RESULT	**3 981**	**(9 454)**	**2 604**	**7 046**	**(53)**		**4 123**
Net Financial Expense							(17 725)
Profit/(loss) of Investments in associates							
PROFIT BEFORE TAX							**(13 602)**
Income tax benefit (expense)							423
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**(13 179)**
Income from discontinued activities							
CONSOLIDATED NET INCOME (LOSS)							**(13 179)**
Of which non controlling interests (Minority interests)							283
Of which owners of the parent company							**(12 896)**

2013 (€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	TOTAL
Leasing revenue	87 798	70 251	14 919	34 074	12 724	(13 662)	206 104
Sales of equipment	100 645	32 725	8 878	910			143 158
TOTAL REVENUES	**188 443**	**102 976**	**23 797**	**34 984**	**12 724**	**(13 662)**	**349 262**
Capital gain (loss) on disposals		(21)	4		4		(13)
Income from ordinary activities	**188 443**	**102 955**	**23 801**	**34 984**	**12 728**	**(13 662)**	**349 249**
Cost of sales	(90 051)	(30 212)	(7 378)	(194)			(127 835)
Operating expenses	(25 535)	(45 241)	(6 554)	(13 740)	(38)	(85)	(91 193)
Selling, general and administrative expenses	(10 018)	(8 100)	(4 311)	(6 231)	(12 821)	13 747	(27 734)
GROSS OPERATING MARGIN (EBITDAR)	**62 839**	**19 402**	**5 558**	**14 819**	**(131)**		**102 487**
Depreciation, amortization and impairments	(1 510)	(23 771)	(3 818)	(8 397)	(453)		(37 949)
INCOME PER BUSINESS before distribution to investors	**61 329**	**(4 369)**	**1 740**	**6 422**	**(584)**		**64 538**
Net distributions to investors	(48 646)	(1 560)		(1 420)			(51 626)
OPERATING INCOME PER BUSINESS after distribution to investor	**12 683**	**(5 929)**	**1 740**	**5 002**	**(584)**		**12 912**
CURRENT OPERATING INCOME	**12 683**	**(5 929)**	**1 740**	**5 002**	**(584)**		**12 912**
Other revenues (expenses), net		(5 248)	(315)				(5 563)
OPERATING RESULT	**12 683**	**(11 177)**	**1 425**	**5 002**	**(584)**		**7 349**
Net Financial Expense							(20 300)
Profit/(loss) of Investments in associates							
PROFIT BEFORE TAX							**(12 951)**
Income tax benefit (expense)							(1 928)
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**(14 879)**
Income from discontinued activities							
CONSOLIDATED NET INCOME (LOSS)							**(14 879)**
Of which non controlling interests (Minority interests)							(424)
Of which owners of the parent company							**(15 303)**

2012 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	**TOTAL**
Leasing revenue	87 344	78 885	14 715	37 877	11 447	(11 233)	219 034
Sales of equipment	86 358	37 726	11 119	3 749			138 952
TOTAL REVENUES	**173 702**	**116 611**	**25 834**	**41 626**	**11 447**	**(11 233)**	**357 986**
Capital gain (loss) on disposals		(22)					(22)
Income from ordinary activities	**173 702**	**116 589**	**25 834**	**41 626**	**11 447**	**(11 233)**	**357 964**
Cost of sales	(80 524)	(34 706)	(6 050)	(1 637)			(122 917)
Operating expenses	(20 370)	(43 157)	(8 510)	(20 616)	20	1 140	(91 493)
Selling, general and administrative expenses	(8 383)	(7 360)	(4 055)	(4 349)	(11 234)	10 093	(25 288)
GROSS OPERATING MARGIN (EBITDAR)	**64 426**	**31 366**	**7 218**	**15 024**	**233**		**118 267**
Depreciation, amortization and impairments	(2 535)	(18 928)	(3 036)	(7 156)	(503)		(32 157)
INCOME PER BUSINESS before distribution to investors	**61 891**	**12 437**	**4 182**	**7 868**	**(269)**		**86 109**
Net distributions to investors	(52 223)	(1 947)		(2 320)			(56 490)
OPERATING INCOME PER BUSINESS after distribution to investor	**9 668**	**10 491**	**4 182**	**5 548**	**(269)**		**29 619**
CURRENT OPERATING INCOME	**9 668**	**10 491**	**4 182**	**5 548**	**(269)**		**29 619**
Other revenues (expenses), net		(577)					(577)
OPERATING RESULT	**9 668**	**9 914**	**4 182**	**5 548**	**(269)**		**29 042**
Net Financial Expense							(17 567)
Profit/(loss) of Investments in associates							
PROFIT BEFORE TAX							**11 475**
Income tax benefit (expense)							(2 749)
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**8 726**
Income from discontinued activities							
CONSOLIDATED NET INCOME (LOSS)							**8 726**
Of which non controlling interests (Minority interests)							420
Of which owners of the parent company							**9 146**

note 3.2. BALANCE SHEET BY DIVISION

December 31, 2014 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	TOTAL
ASSETS						
Goodwill		23 624		5 101		28 725
Intangible assets	139	223	16	610	138	1 126
Rental equipment & other PPE, net	32 818	211 523	56 723	202 258	1 268	504 590
Long-term financial assets	330	191	423	1 163	600	2 706
Other non-current assets	1 309	158	2 255		1 088	4 810
Deferred tax assets					50	50
TOTAL non-current assets	**34 596**	**235 719**	**59 418**	**209 132**	**3 143**	**542 007**
Inventory and work-in-progress	19 738	8 673	14	8 323		36 749
Trade receivables, net	20 355	24 331	2 515	3 476	39	50 717
Other current assets	4 666	6 810	858	1 481	1 354	15 170
Cash and cash equivalents					79 917	79 917
TOTAL current assets	**44 759**	**39 815**	**3 388**	**13 280**	**81 310**	**182 553**
TOTAL ASSETS						**724 560**
LIABILITIES						
Share capital					47 070	47 070
Hybrid capital					50 161	50 161
Reserves					78 311	78 311
Profit (loss) for the fiscal year, Group's share					(12 896)	(12 896)
Equity attributable to the owners of the parent company					**162 646**	**162 646**
Non controlling interests (Minority interests)		1 851		20 058		21 909
Consolidated shareholders' equity					**162 646**	**184 555**
Loans and borrowings					313 191	313 191
Deferred tax liabilities					9 911	9 911
Employee benefits	31	138	8		89	266
Other long-term liabilities	(0)	1 508				1 508
TOTAL non-current liabilities	**31**	**1 645**	**8**		**323 191**	**324 876**
Provisions	4	1 039			130	1 173
Loans and borrowings					125 915	125 915
Trade payables	5 733	16 372	1 366	3 369	1 410	28 249
Other current liabilities	33 884	16 328	1 381	2 993	5 205	59 792
TOTAL current liabilities	**39 621**	**33 739**	**2 746**	**6 362**	**132 660**	**215 129**
TOTAL LIABILITIES						**724 560**
Tangible & intangible investments during the year	2 911	10 466	2 934	5 537	247	22 095
Workforce by business	**30**	**676**	**14**	**34**	**42**	**796**

December 31, 2013 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	**TOTAL**
ASSETS						
Goodwill		23 498		5 101		28 599
Intangible assets	139	89	22	565	230	1 045
Rental equipment & other PPE, net	25 158	227 403	56 080	213 751	1 380	523 772
Long-term financial assets	116	357	410	1 163	339	2 385
Other non-current assets	1 968	242	3 618			5 828
Deferred tax assets					1 207	1 207
TOTAL non-current assets	**27 381**	**251 589**	**60 130**	**220 580**	**3 156**	**562 836**
Inventory and work-in-progress	47 104	5 237	32	8 718		61 091
Trade receivables, net	14 578	27 389	2 462	3 971	54	48 454
Other current assets	5 502	6 924	2 281	2 346	1 239	18 292
Cash and cash equivalents					53 895	53 895
TOTAL current assets	**67 184**	**39 550**	**4 775**	**15 035**	**55 188**	**181 732**
TOTAL ASSETS						**744 568**
LIABILITIES						
Share capital					47 070	47 070
Hybrid capital					32 439	32 439
Reserves					92 650	92 650
Profit (loss) for the fiscal year, Group's share					(15 303)	(15 303)
Equity attributable to the owners of the parent company					**156 856**	**156 856**
Non controlling interests (Minority interests)		3 779		23 770		27 549
Consolidated shareholders' equity					**156 856**	**184 405**
Loans and borrowings					310 496	310 496
Deferred tax liabilities					6 388	6 388
Employee benefits	16	147	11		215	389
Other long-term liabilities		3 009				3 009
TOTAL non-current liabilities	**16**	**3 156**	**11**		**317 099**	**320 282**
Provisions	4	1 985			210	2 199
Loans and borrowings					143 092	143 092
Trade payables	5 097	16 794	1 860	3 046	1 332	28 129
Other current liabilities	43 386	17 840	1 903	512	2 820	66 461
TOTAL current liabilities	**48 487**	**36 619**	**3 763**	**3 558**	**147 454**	**239 881**
TOTAL LIABILITIES						**744 568**
Tangible & intangible investments during the year	1 196	22 876	8 407	14 421	329	47 229
Workforce by business	**31**	**603**	**17**	**30**	**39**	**720**

December 31, 2012 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	**TOTAL**
ASSETS						
Goodwill		28 704	315	5 101		34 120
Intangible assets	200	261	25	689	248	1 423
Rental equipment & other PPE, net	31 293	232 270	59 324	193 945	1 479	518 311
Long-term financial assets	36	362	434	1 163	344	2 339
Investments in associates						
Other non-current assets	2 692	37	4 353			7 082
Deferred tax assets					494	494
TOTAL non-current assets	**34 221**	**261 634**	**64 451**	**200 898**	**2 565**	**563 769**
Inventory and work-in-progress	37 507	10 649	249	22 461		70 866
Trade receivable, net	14 946	39 571	2 665	5 367	105	62 654
Other current assets	4 348	6 697	3 249	4 112	1 295	19 701
Cash and cash equivalents					59 144	59 144
TOTAL current assets	**56 801**	**56 917**	**6 163**	**31 940**	**60 544**	**212 365**
Assets intended for transfer						
TOTAL ASSETS						**776 134**
LIABILITIES						
Share capital					45 922	45 922
Reserves					93 910	93 910
Profit (loss) for the fiscal year, Group's share					9 146	9 146
Equity attributable to the owners of the parent company					**148 978**	**148 978**
Non controlling interests (Minority interests)		338	(2)	23 699		24 035
Consolidated shareholders' equity					**148 978**	**173 013**
Loans and borrowings					368 873	368 873
Deferred tax liabilities					5 658	5 658
Employee benefits	25	131	5		198	359
Other long-term liabilities		1 102				1 102
TOTAL non-current liabilities	**25**	**1 233**	**5**		**374 729**	**375 992**
Provisions	4		200		362	566
Loans and borrowings					122 910	122 910
Trade payables	13 544	19 295	1 145	4 152	999	39 135
Other current liabilities	25 937	25 301	10 162	463	2 655	64 518
TOTAL current liabilities	**39 485**	**44 596**	**11 507**	**4 615**	**126 926**	**227 129**
TOTAL LIABILITIES						**776 134**
Tangible & intangible investments during the year	9 615	21 538	16 042	17 311	179	64 685
Workforce by business	**32**	**636**	**21**	**30**	**41**	**760**

note 3.3. GEOGRAPHICAL SEGMENT REPORTING

(€ thousands)	International	Europe	Americas	Africa	Asia	TOTAL
2014						
Revenue	215 862	133 150	24 319	5 360		378 691
Tangible and intangible investments	2 904	17 756	1 305	131		22 095
Sectoral non-current assets	34 566	448 086	42 266	16 427	610	541 955
2013						
Revenue	187 557	138 459	13 955	9 291		349 262
Tangible and intangible investments	1 190	37 513	7 899	627	1	47 229
Sectoral non-current assets	27 349	468 705	48 445	16 564	565	561 628
2012						
Revenue	173 702	166 045	13 251	4 989		357 986
Tangible and intangible investments	9 605	33 789	20 522	40	729	64 685
Sectoral non-current assets	34 196	463 690	47 929	16 636	689	563 140

NOTES REGARDING THE INCOME STATEMENT

NOTE 4. REVENUE FROM ORDINARY ACTIVITIES

Breakdown by type *(€ thousands)*	**2014**	2013	Variation 2014/2013		2012
Leasing revenue	206 189	206 104	85	0,04%	219 034
Sales of equipment	172 502	143 158	29 344	20,5%	138 952
TOTAL REVENUE	**378 691**	**349 262**	**29 429**	**8,4%**	**357 986**
Capital gain (loss) on disposal	172	(13)	185	-1425,0%	(22)
Revenue from ordinary activities	**378 863**	**349 249**	**29 614**	**8,5%**	**357 964**

Turnover increased by €29.4 million or 8.43%, from €349.3 million in 2013 to €378.7 million in 2014. The increase in equipment sales accounted for most of this variation.

- **Leasing revenues**

Leasing revenues include rental revenues, transport revenues, and revenues from services associated with equipment leasing.

The leasing revenue also includes the financial revenue from finance leases in which the Group is the lessor.

Leasing revenue remained stable, with a turnover of €206.1 million in 2013 and €206.2 million in 2014. This stability is explained partly by a growing fleet of shipping containers which generated 5.2 million of additional rental income, offset by lower utilization rates and leasing rates in the modular buildings division.

- **Sale of new and used equipment**

Equipment sales mainly involve the sale of equipment to investors (syndication). The equipment is then managed by the Group under management programs. In addition, Sales of equipment includes sales of modular buildings to end customers, as well as sales of equipment belonging to investors.

Turnover for sale of equipment increased by €29.3 million or 20.50%, from €143.2 million in 2013 to €172.5 million in 2014. This variation is mainly due to an increase in the sales of shipping containers and railcars offset by lower sales in the modular buildings division and river barges division.

NOTE 5. OTHER PURCHASES AND EXTERNAL CHARGES

Other Purchases and external expenses increased by €43.1 million or 21% over 2014. This change primarily reflects the changes in sales of equipment representing €30.6 million. The increase of €12.7 million in other services corresponds to the repair and maintenance costs associated with the costs of subcontracting in the Modular Buildings division representing €8.8 million, and an increase in storage costs for the Shipping Containers division.

NOTE 6. STAFF COSTS

(€ thousands)	**2014**	2013	Variation 2014/2013		2012
Salaries & social security charges	(32 316)	(31 954)	(362)	1,1%	(29 513)
Workforce	**796**	**720**	**76**	**10,6%**	**760**

To enable the employees of the economic and social unit (which includes TOUAX Corporate, TOUAX Solutions Modulaires, TOUAX Container Services and TOUAX River Barges) and of TOUAX Construction Modulaire to share in the Group's performance, agreements were signed allowing amounts to be paid to employees which they can invest in the Company Savings Plan.

Compulsory profit-sharing agreement:

The formula adopted is the legal calculation formula. Half of the amount is distributed in proportion to attendance time in the company during the fiscal year, and half is distributed in proportion to the salary of each beneficiary during the fiscal year concerned.

Voluntary profit-sharing agreement:

The performance indicator applied is the net earnings per share and the average number of shares of the Group included in the consolidated financial statements (according to a specific calculation defined in the agreement).

No stock option plans were introduced in 2014.

The French competitiveness and employment tax credit (Crédit d'Impôt Compétitivité Emploi) is deducted from the staff costs in the accounts for an amount of €150 thousand.

NOTE 7. OTHER OPERATING REVENUES AND EXPENSES

(€ thousands)	**2014**	2013	Variation 2014/2013		2012
Other operating income	4 844	1 001	3 843	384,0%	2 339
Other operating charges	(10 085)	(1 159)	(8 926)	770,1%	(1 967)
TOTAL Other operating income and charges	**(5 241)**	**(158)**	**(5 083)**	**3216,8%**	**372**

In 2014, other income and expenses recorded a loss on bad debts representing €6.4 million in the Freight Railcar division. These receivables were provisioned in 2011 and the reversal of this provision is included in operating depreciation (note 8).

Because of design flaws relating to the Modular Buildings division, legal proceedings were initiated by the Group in respect of a service provider. This case was decided in the first half of 2014 in the Group's favour, with the Group being awarded compensation of €2 million. The Group had indeed incurred expenses to correct the technical problems and these were accounted for under recurring operating income.

In 2013, the other operating revenues and expenses include various revenues and expenses involved in current operations.

In 2012 the Group recovered about US$1 million of deposits made in connection with the TLR 2001 operation, following the purchase of its fleet of shipping containers and railcars. The impairment tests for financial assets conducted in 2009 resulted in the Group posting a loss for these deposits under other operating charges. Repayment of these deposits was recognized under other operating income in 2012.

NOTE 8. OPERATING PROVISIONS

(€ thousands)	**2014**	2013	Variation 2014/2013		2012
Reversals of operating provisions	11 933	2 376	9 557	402,2%	5 332
Allocation to operating provisions	(5 253)	(7 109)	1 857	-26,1%	(6 748)
TOTAL Operating provisions	**6 681**	**(4 733)**	**11 414**	**-241,1%**	**(1 416)**

Operating provisions and reversals correspond to provisions and reversals of provisions for doubtful debts for € 6.5 million net and provisions for risks and charges amounted € 0.2 million. The recovery of €6.5 million for doubtful debts is the counterpart of the accounting loss of the debt (note 7) in the Freight Railcar division.

NOTE 9. DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

(€ thousands)	**2014**	2013	Variation 2014/2013		2012
Straight-line depreciation	(27 145)	(28 692)	1 547	-5,4%	(23 609)
Depreciation on equipments under Capital Lease	(8 991)	(9 225)	234	-2,5%	(8 499)
Depreciation expense	**(36 136)**	**(37 917)**	**1 781**	**-4,7%**	**(32 108)**
Other depreciation	123	(32)	155	-487,9%	(50)
TOTAL	**(36 013)**	**(37 949)**	**1 936**	**-5,1%**	**(32 157)**

Provision for depreciation, amortization and impairment decreased by 1.9 million or 5.1%.

In 2014, an additional depreciation of 1.7 million was recorded in the modular buildings division. The impairment recognised in 2013 was partially reversed in 2014 to €1.3 million.

In 2013, an impairment of assets of the modular buildings division was accounted for as €3.9 million.

Other depreciation comprise solely provisions and reversals from superannuation commitments.

NOTE 10. NET DISTRIBUTIONS TO INVESTORS

Net distributions to investors are broken down by division as follows:

(€ thousands)	**2014**	2013	Variation 2014/2013		2012
Shipping Containers	(51 416)	(48 646)	(2 770)	5,7%	(52 223)
Modular Buildings	(1 319)	(1 560)	242	-15,5%	(1 947)
Freight Railcars	(2 211)	(1 420)	(791)	55,8%	(2 320)
TOTAL	**(54 946)**	**(51 626)**	**(3 320)**	**6,4%**	**(56 490)**

The increase in net distributions to investors is due to an increased fleet of shipping containers managed on behalf of third parties.

- **Shipping containers**

On 31 December 2014, the Group managed 507,236 CEUs for third parties, compared with 420,933 CEUs on 31 December 2013. This increased fleet managed for the investor account explains the increase in the distribution to investors.

- **Modular Buildings**

On behalf of third-party owners, the Group manages 5,119 modular buildings in France, Germany and the Netherlands. The decline in distribution is a result of the decline in the division's utilization rates.

- **Freight Railcars**

The Group managed 2,161 railcars (2,592 platforms) in Europe and the USA in 2014 on behalf of third parties, compared with 2,594 railcars (3,030 platforms) in 2013. The increase of €0.8 million of distribution to investors is due to the improvement of utilization rates of the equipment managed on behalf of third parties.

NOTE 11. OTHER REVENUES (EXPENSES), NET

In 2014, other revenues (expenses), net represent an item of €0.1 million due to the write-back of a provision recorded within the scope of restructuring relating to the French factory in 2013.

In 2013, the other revenues (expenses), net mainly include the impairment of the goodwill associated with the acquisition of the modular building factory in the Czech Republic for €3.9 million and the impairment of the goodwill of our Eurobulk BV subsidiary of the River Barge division for €0.3 million.

They also include restructuring charges of the assembly unit of modular buildings based in Mignières (France) for an amount of €1.5 million.

NOTE 12. NET FINANCIAL EXPENSE

(€ thousands)	**2014**	2013	variation 2014/2013		2012
Interest Income	**205**	**207**	**(2)**	**-1,0%**	**101**
Interest expense	(17 509)	(19 830)	2 321	-11,7%	(17 593)
Cost of loans and borrowings	(17 509)	(19 830)	2 321	-11,7%	(17 593)
Net Interest Expense	**(17 304)**	**(19 623)**	**2 319**	**-11,8%**	**(17 492)**
Profit and loss on debt extinguishment	(80)	(555)	475	-85,6%	14
Dividends received					
Financial income and charges from discounting	84	(26)	110	-423,1%	133
Other financial income and charges	(425)	(96)	(329)	342,9%	(222)
Other financial income (expenses), net	**(421)**	**(677)**	**256**	**-37,8%**	**(75)**
NET FINANCIAL EXPENSE	**(17 725)**	**(20 300)**	**2 575**	**-12,7%**	**(17 567)**

The change in the net financial expense can be explained by the fall in 2014 of both the average debt level and average interest rate.

NOTE 13. INCOME TAX

note 13.1. ANALYSIS OF THE TAX CHARGE BOOKED TO THE INCOME STATEMENT

Taxes on profits consist of taxes currently payable by Group companies and deferred tax arising from tax losses and temporary discrepancies between consolidated income shown in the Group's Financial Statements and income established for tax purposes.

Tax Groups have been organized in the USA, France and the Netherlands:

- TOUAX Corp., Gold Container Corp., Gold Container Finance Llc, TOUAX Finance Inc., TOUAX Container Lease Receivables Corp. and TOUAX Equipment Leasing Corp. : American tax group,
- TOUAX MODULAR BUILDING Llc and TOUAX LEASING CORP: American tax group,
- TOUAX SCA, TOUAX Solutions Modulaires SAS, TOUAX Construction Modulaire SAS, TOUAX Container Services SAS, TOUAX Corporate SAS and TOUAX River Barges SAS: French tax group,
- TOUAX BV and TOUAX Asset BV: Dutch tax group, Eurobulk Transport Maatschappij BV and CS de Jonge BV: Dutch tax group.

note 13.1.1. BREAKDOWN OF THE INCOME TAX

The tax income accounted for in the profit/loss for the financial year increased to +€0.4 million (compared with -€1.9 million in 2013). It is broken down as follows:

(€ thousands)	**2014**			2013			2012		
	Payable	**Differed**	**TOTAL**	**Payable**	**Differred**	**TOTAL**	**Payable**	**Differed**	**TOTAL**
Europe	(304)	378	74	(1 529)	883	(647)	(2 477)	385	(2 092)
USA	(7)	592	585	370	(718)	(348)		(346)	(346)
Others	(889)	653	(236)	(926)	(7)	(933)	(434)	123	(312)
TOTAL	**(1 199)**	**1 622**	**423**	**(2 085)**	**157**	**(1 928)**	**(2 911)**	**162**	**(2 749)**

note 13.1.2. Reconciliation between the Group's theoretical tax charge and the tax charge actually recognized

(€ thousands)	**2014**
Total profit before tax and extraordinary items	**(13 602)**
Theoretical tax at the current French rate of taxation	4 534
Restrictions on deferred tax items	(6 934)
Temporary differences	46
Permanent differences and other elements	1 328
Current benefit of earlier losses	694
Difference in tax rate	755
EFFECTIVE TAX BURDEN	**423**

Outstanding deferred tax assets in France not recognized in the accounts are estimated at €14.5 million. Outstanding deferred tax assets in the Netherlands not recognized in the accounts are estimated at €1.6 million.

note 13.2. Taxes recognized directly in shareholders' equity

Deferred tax effects of swap valuations and net investment revaluations are booked to Shareholders' Equity.

(€ thousands)	2013	**Changes by shareholders' equity**	**2014**
Redeemable warrants	(54)		(54)
Swaps evaluation	(67)	72	5
Revaluation of net investments	338	52	391
TOTAL	**217**	**125**	**342**

note 13.3. Deferred tax assets and liabilities

The deferred tax position is as follows:

(€ thousands)	**2014**	2013	2012
Deferred tax asset	50	1 207	494
Deferred tax liability	(9 911)	(6 388)	(5 658)
TOTAL	**(9 861)**	**(5 181)**	**(5 164)**

Net deferred tax liabilities are broken down as follows:

(€ thousands)	**2014**
Depreciation of fixed assets and financial lease restatement	(39 727)
Unused tax losses	30 792
Discounting of financial assets	1
Provisions for doubtful accounts	470
Miscellaneous	(1 397)
NET BALANCE	**(9 861)**

NOTE 14. Net income per share

Basic earnings per share are calculated by dividing the company's net income by the weighted mean number of shares in circulation during the period. No adjustment was made for treasury stock in view of their insignificant number (0.12 % of the capital stock at December 31, 2014).

Diluted income per share is calculated by adjusting the weighted mean number of shares in circulation so as to take account of the conversion of all the equity instruments that could dilute this figure. The only remaining type of potentially dilutive equity instruments held by the company on 31 December 2014 were redeemable stock warrants.

	2014	2013	2012
Net consolidated net profit - group's share (€)	(12 896 013)	(15 303 403)	9 145 961
Outstanding shares at December 31	5 883 773	5 883 773	5 740 267
Weighted average number of outstanding ordinary shares	5 883 773	5 817 328	5 732 513
Potential number of shares			
- 2006 Stock options plan*			
- 2007 exercisable/transferable equity warrant bonds**			
- 2008 stock warrants ***			
Weighted average number of shares for calculation of the diluted earnings per share	5 883 773	5 817 328	5 732 513
NET EARNINGS PER SHARE			
- basic	(2,19)	(2,63)	1,60
- diluted	(2,19)	(2,63)	1,60

* 2006 stock options have been exercised or have expired in 2012

** the market price at 31 December 2013 is lower than the exercice price of the warrants

*** the remaining warrants have expired on 12 March 2013

NOTES CONCERNING THE BALANCE SHEET

ASSETS

NOTE 15. GOODWILL

Changes in goodwill were as follows:

(€ thousands)	2012	2013	Increase	Decrease	Translation adjustment	2014
Modular Buildings						
Siko Containerhandel Gmbh	1 583	1 583				1 583
Touax Sro - Touax SK Sro	16 411	11 362			(125)	11 237
Touax Modular Building USA,Inc	15	1				1
Sacmi/Ramco Sarl	10 695	10 553			251	10 804
River Barges						
Eurobulk Transport Maatschappij BV	221					
CS de Jonge BV	91					
Touax Rom SA	3					
Freight Railcars						
SRF Railcar Leasing Ltd	547	547				547
Touax Rail Limited	4 554	4 554				4 554
TOTAL	**34 120**	**28 599**			**126**	**28 725**

On July 1, 2012, TOUAX and its financial partner ADP I (a fund specialized in investments in Africa and advised by DPI), acquired a 90% majority interest (now a 100% interest) in SACMI, the Moroccan market leader on the modular buildings sector, as well as a 100% interest in RAMCO, a leasing company.

SACMI manufactures, sells and leases modular buildings in Morocco and in Africa. SACMI is the market leader in Morocco and has a varied range of products, such as administrative, industrial and worksite buildings, site facilities and telecom shelters. Its customers include local authorities and leading industrial companies, particularly in the telecom and construction sectors. The goodwill arising from the acquisition of SACMI/RAMCO mainly represents the potential of the African market where there are substantial requirements for modular buildings.

	SACMI		RAMCO	
	In Moroccan Dirham (MAD) thousands	€ thousands	In Moroccan Dirham (MAD) thousands	€ thousands
Payment at the closing	151 543	13 635	13 025	1 172
Loans and advances to customers	6 637	597		
Vendor credit (12 months)	40 174	3 615		
Price for 10% of the purchase option	23 362	2 102		
TOTAL ACQUISITION PRICE	**221 716**	**19 949**	**13 025**	**1 172**
Value accrued				
Intangible fixed assets	36	3	12	1
Tangible fixed assets	64 505	5 804	4 843	436
Long-term financial assets	125	11	49	4
Inventories	29 747	2 676	482	43
Loans and advances to customers	34 326	3 089	4 503	405
Other current assets	7 299	657	665	60
Cash and cash equivalents	28 756	2 587	2 133	192
Financial indebtedness	(23 908)	(2 151)	(776)	(70)
Deferred tax liabilities	(8 115)	(730)	(433)	(39)
Other current liabilities	(27 490)	(2 473)	(882)	(79)
Fair value of the net asset acquired	**105 282**	**9 473**	**10 595**	**953**
PROVISIONAL GOODWILL	**116 435**	**10 476**	**2 430**	**219**

The balance of the acquisition cost of the stock was paid in 2013, 12 months after the acquisition date. The receivables included on SACMI's balance sheet on the acquisition date and recovered within 12 months of the acquisition were paid to the vendor. These additional amounts are included in the purchase price. Moreover, the Group exercised its option to buy the remaining minority stake in 2013. The price of this option was agreed contractually between the two parties based on a multiple of the management balance and the balance sheet, or a predefined amount if it is higher than the result of the formula.

SRF Railcar Leasing Ltd is an investment company accounted for by the equity method in 2011. The Group took control of the company at the beginning of January 2012 and it is now fully consolidated. According to IFRS 3, takeover of a company previously accounted for by the equity method is equivalent to the sale and subsequent acquisition of the company. This transaction therefore generated goodwill of €547,000.

Impairment tests

Impairment tests have been carried out for each cash-generating unit (CGU). The recoverable value is based on the unit's value in use, which is the amount of future cash flows, discounted using the weighted average cost of capital. Future cash flows are based on five-year forecasts and a terminal value estimated on the basis of cash flow forecasts.

The table below describes the main assumptions for the CGUs presenting goodwill:

Cash-generating unit *(€ thousands)*	Value of associated goodwill	2014 discount rate	2014 Terminal growth rate	2013 discount rate	2013 Terminal growth rate
Modular Buildings	23 625	7,76%	2,00%	8,10%	2,00%
Freight Railcars	5 101	7,56%	2,00%	7,89%	2,00%
TOTAL	**28 726**				

The discount rates used are the weighted average cost of capital (WACC) estimated for each division.

The growth rate applied is 2 %, corresponding to the ECB's forecasts for the rate of inflation.

Analyses were carried out to assess the sensitivity of the recoverable value to a possible adjustment of a key hypothesis (notably a 100 base point rise in discount rate and a 100 base point reduction of the perpetual growth rate).

These sensitivity analyses showed that a change of 100 base points in the hypotheses of discounts or growth rates would not result in the accounting of an impairment in the Group's consolidated financial statements on 31 December 2014.

Sensitivity of the recoverable value according to a +/- 100 base point change in the rates applied:

	Discount rate		**Indefinite growth rate**	
(€ thousands)	**+ 100 base points**	**- 100 base points**	**+ 100 base points**	**- 100 base points**
Modular Buildings	(44 762)	63 515	50 837	(35 790)
Freight Railcars	(40 515)	58 330	47 286	(32 877)

In 2013, there was an impairment of the goodwill of the Czech Republic for €3.9 million following the drop in demand for modular buildings in Europe, including Poland and Germany in particular. There was an impairment of €0.3 million in the goodwill of Eurobulk BV, the Dutch subsidiary of the River Barge division.

NOTE 16. INTANGIBLE FIXED ASSETS

(€ thousands)	2013	Purchases	Sales	Allocation for the fiscal year	Variation in conversion	reclassification and ultimate disposal	**2014**
Shipping Containers	139	42		(60)	17		139
Modular Buildings	89	194		(58)	(1)		223
River Barges	22			(6)	0		16
Freight Railcars	565			(18)	63		610
Corporate	231			(93)	0		138
	1 045	**236**		**(235)**	**79**		**1 126**

Intangible fixed assets mainly concern licenses, software, development costs and pre-production tests of modular building prototypes.

NOTE 17. RENTAL EQUIPMENT & OTHER PROPERTY, PLANT & EQUIPMENT

note 17.1. BREAKDOWN BY TYPE

	2014			2013	2012
(€ thousands)	**Gross value**	**Amort.**	**Net val.**	Net val.	Net val.
Land and buildings	12 119	(2 992)	9 127	10 116	11 195
Rental Equipment	655 997	(166 411)	489 585	506 979	500 551
Other PPE	13 221	(9 888)	3 332	3 798	4 486
Tangible assets in progress	2 545		2 545	2 879	2 080
TOTAL	**683 882**	**(179 292)**	**504 590**	**523 772**	**518 311**

note 17.2. CHANGES IN GROSS VALUE, BY TYPE

(€ thousands)	01/01/2014	Purchases	Sales	Variation in conversion	Reclassification and inclusion in the perimeter	31/12/2014
Land and buildings	13 185	459	(1 281)	162	(406)	12 119
Rental Equipment	651 626	17 208	(51 231)	9 007	29 387	655 997
Other PPE	13 916	933	(1 951)	203	120	13 221
Tangible assets in progress	2 948	3 259		3	(3 665)	2 545
TOTAL	**681 675**	**21 859**	**(54 463)**	**9 375**	**25 436**	**683 882**

Equipment acquisitions comprise modular buildings for a total of €10.3 million, railcars for a total of €5.5 million, river barges for a total of €2.9 million and shipping containers for a total of €2.9 million.

The capital outflows (sales) relate to modular buildings for an amount of €16.5 million, river barges for an amount of €7 million, shipping containers for an amount of €22 million and railcars for an amount of €8.9 million.

The transfer of stocks to fixed assets relate to Shipping Containers activities for an amount of €24.1 million.

The Group's tangible fixed assets comprise leasing equipment (shipping containers, modular buildings, river barges and freight railcars). Unit values of shipping containers and modular buildings do not exceed €10,000. Unit values of freight railcars range from €10,000 for second-hand 60-ft railcars to €125,000 for new 106-ftarticulated intermodal railcars. The unit values of river barges range from €150,000 for second-hand barges (1,700-ton), to over €1m for new 2,800-ton barges.

Following the completion of the physical inventory on French subsidiaries of the modular buildings division, an impairment was recorded for 1.7 million in 2014.

As a result of the impairment in 2013, the value of the tangible assets of the Modular Building division in Europe was depreciated by €3.9 million.

NOTE 18. FINANCIAL INSTRUMENTS

The implementation of interest rate and exchange rate hedging products exposes the Group to a potential counterparty default.

note 18.1. GROSS VALUE

note 18.1.1. NON-CURRENT FINANCIAL ASSETS

Securities available for sale - Gross value (€ thousands)	2014	2013	2012
Opening total	1 420	1 500	1 531
Increases			
Decreases		(15)	(2)
Difference on conversion	193	(64)	(29)
Other changes			
Closing total	**1 613**	**1 420**	**1 500**

Securities available for sale - Impairment in income statement	2014	2013	2012
Opening total	(1 419)	(1 484)	(1 513)
Increases			
Decreases			
Difference on conversion	(193)	64	29
Other changes			
Closing total	**(1 612)**	**(1 419)**	**(1 484)**

Securities available for sale - Net value	2014	2013	2012
Opening total	**1**	**16**	**18**
Closing total	**1**	**1**	**16**

Other N.C. financial assets - Gross value	2014	2013	2012
Opening total	5 834	5 794	17 108
Increases	478	120	190
Decreases	(278)	(21)	(581)
Difference on conversion	103	(27)	10
Other changes	83	(32)	(10 932)
Closing total	**6 219**	**5 834**	**5 794**

Other N.C. financial assets - Impairment in income statement	2014	2013	2012
Opening total	(3 449)	(3 471)	(6 581)
Increases			
Decreases			
Difference on conversion	(66)	22	(11)
Other changes	1		3 120
Closing total	**(3 514)**	**(3 449)**	**(3 471)**

N.C. financial assets - Net value	2014	2013	2012
Opening total	**2 384**	**2 323**	**10 527**
Closing total	**2 705**	**2 384**	**2 323**

Securities available for sale: These comprise a minority stake in an unlisted storage container leasing company in the USA. The holding was fully written down in 2007 (€1.4 million). The value of the equity interests on 31 December 2014 was almost nil.

Interests in associated companies

On 31 December 2014, there was no stake held in the associated companies.

The other long-term financial assets are made up of loans and deposits.

There were no significant variations during the 2014 fiscal year.

note 18.1.2. OTHER FIXED ASSETS

Finance lease receivables - Gross value (€ thousands)	2014	2013	2012
Opening total	5 699	7 082	9 061
Increases		990	33
Decreases	(84)	(67)	(6)
Difference on conversion	458	(249)	(130)
Other changes	(2 433)	(2 057)	(1 876)
CLOSING TOTAL	**3 641**	**5 699**	**7 082**

Finance lease receivables - Impairment in income statement (€ thousands)	2014	2013	2012
Opening total			
Increases			
Decreases			
Difference on conversion			
Other changes			
CLOSING TOTAL			

Finance lease receivables - Net value (€ thousands)	2014	2013	2012
Opening total	5 698	7 082	9 061
CLOSING TOTAL	**3 641**	**5 698**	**7 082**

Financial derivative assets at fair value (€ thousands)	2014	2013	2012
Opening total	129		1 029
Increases			
Change in fair value	1 028	206	
Difference on conversion	12	(5)	1
Other changes		(71)	(1 030)
CLOSING TOTAL	**1 169**	**129**	

Interest rate swaps included under non-current derivatives are valued at fair value; the effective portion is included in stockholders' equity, and the ineffective portion in income.

The Group's assets include assets held under finance leases, in which it acts as lessor, amounting to a net book value of €4.7 million (€3.6 million in other non-current assets and €1.1 million in other current assets) and a historical cost of €15.8 million.

(€ thousands)	Minimum future payments	Discounted minimun future payments
< 1 year (+)	1 438	1 102
1 - 5 years (+)	4 075	3 464
> 5 years (+)	230	176
TOTAL	**5 743**	**4 742**
Discounting of finance leases	1 000	
Discounted minimum future payments	**4 742**	**4 742**
Presentation in the balance sheet of finance lease receivables		
Other current assets		1 101
Other non-current assets		3 641
TOTAL		**4 742**

The interest rate applied in each finance lease is determined on the day the contract is signed. The average rate of interest used was 12.13 % on December 31, 2014. The interest income from finance leases is recorded under leasing revenue (€0.8 million in 2014 compared with €1.1 million in 2013).

Customer reimbursements of finance lease receivables corresponding to the net investment booked on the balance sheet under assets came to €2 million in 2014. The EBITDA – understood by the Group as current operating income before amortization charges and provisions – is not itself an accounting concept. However, it is very often used by financial analysts, investors and other users of financial statements as a measure of the operating performance of a business. In TOUAX's view, users of the Group's Financial Statements would find the restated EBITDA shown below to be a better measure of this performance.

Re-stated EBITDA is EBITDA plus the capital repayments of the net investment in finance leases granted to customers, coming to €2 million on 31 December 2014. This makes it possible to calculate the cash flow from operations more accurately than by using the EBITDA. The practice is widespread among firms which lease out equipment.

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	2014
EBITDAR (gross margin)	57 778	12 777	5 579	18 537	276	94 948
Payments received of principal of finance lease receivables	1 322	186	545			2 053
Restated EBITDAR	**59 100**	**12 964**	**6 124**	**18 537**	**276**	**97 001**
Net distribution to investors	(51 416)	(1 319)		(2 211)		(54 946)
Restated EBITDA	**7 684**	**11 645**	**6 124**	**16 326**	**276**	**42 054**

note 18.1.3. CURRENT FINANCIAL ASSETS

RECEIVABLES AND RELATED ACCOUNTS

Receivables and related accounts - Gross value (€ thousands)	2014	2013	2012
Opening total	70 474	81 516	79 881
variation	(6 646)	(9 841)	(3 336)
Difference on conversion	3 110	(1 199)	(122)
Other changes	1	(2)	5 093
CLOSING TOTAL	**66 940**	**70 474**	**81 516**

Receivables and related accounts - Impairment in income statement (€ thousands)	2014	2013	2012
Opening total	(22 020)	(18 861)	(15 688)
Increases	(3 970)	(4 911)	(6 673)
Decreases	10 440	1 444	3 893
Difference on conversion	(660)	256	34
Other changes	(13)	52	(427)
CLOSING TOTAL	**(16 223)**	**(22 020)**	**(18 861)**

Receivables and related accounts - Net value (€ thousands)	2014	2013	2012
Opening total	48 454	62 654	64 192
CLOSING TOTAL	**50 717**	**48 454**	**62 654**

On first booking, trade receivables and related accounts are recognized at their fair value which corresponds to their nominal value. They may be written down if there is a risk the debt may not be collected in full. At December 31, 2014, outstanding receivables and related accounts came to €50.7 million on the balance sheet. This is a reasonable estimate of the fair value.

The average aging of accounts receivable is 62 days. For receivables in arrears for less than one year, an impairment writedown was posted according to the customer's payment history.

Before a new customer is accepted, the Group checks its solvency with credit rating agencies and determines the applicable credit limits.

On December 31, 2014 the Group recognized net overdue receivables of €15 million, the vast majority of which is outstanding for less than six months.

Aged balance of accounts 2014

(€ thousands)	Trade receivables, gross	Depreciation	Trade receivables
Unmatured	36 213	(504)	**35 710**
0 - 6 months	12 538	(2 782)	**9 756**
6 -12 months	2 685	(1 343)	**1 342**
> 1 year	15 504	(11 594)	**3 910**
TOTAL	**66 940**	**(16 223)**	**50 717**

CASH AND CASH EQUIVALENTS

(€ thousands)	2014	2013	2012
Investments of less than 3 months	4 663	24 011	37 070
including short-term securities	*3 217*	*22 564*	*35 623*
Cash	75 254	29 883	22 073
AMOUNT AT CLOSING	**79 917**	**53 895**	**59 144**

The cash balances shown on the Group's balance sheet on 31 December 2014 include €34 million in cash that is not available for the Group's daily cash management. This balance corresponds to (i) €4.6 million to the contractual reservations on asset financing companies, (ii) €7.9 million to the cash account of companies not 100% owned and (iii) €21.3 million of reserves related to the next repayment of warehouse containers following a year-end syndication.

Fair value of financial instruments

Financial assets valued at fair value through profit or loss consist mainly of negotiable securities, which are carried at fair value.

Long-term financial assets are discounted at the rate for risk-free lending (government bonds).

The impact of financial instruments on net income is explained in note 18.2.5 below.

The financial risk management policy is indicated in note 26 of the notes to the consolidated financial statements.

Both swaps and cash and cash equivalents are valued at their fair value.

For trade receivables and related accounts, the book value is used for the fair value, as these credits are all very short term.

Other non-current financial assets and other non-current assets are valued at their amortized cost calculated using the effective interest rate. Their book values provide a reasonable estimate of the fair value.

Other Non-Current Financial Assets and other fixed assets undergo impairment tests on the basis of the estimated future income streams.

note 18.2. FINANCIAL LIABILITIES

Non-current and current financial liabilities are classified as Borrowings and Financial Debts and Borrowings and Current Bank Facilities.

note 18.2.1. ANALYSIS OF LOANS AND BORROWINGS BY CATEGORY

	2014			2013			2012		
(€ thousands)	Non current	Current	TOTAL	Non current	Current	TOTAL	Non current	Current	TOTAL
Bond issue	21 542	114	21 656	21 580	205	21 786	22 635		22 635
Medium/long-term loans with recourse	40 413	14 394	54 807	53 032	15 490	68 522	62 918	15 227	78 144
Finance lease commitments with recourse	51 279	20 783	72 061	70 268	22 263	92 531	83 295	21 972	105 267
Revolving lines of credit with recourse	67 565	25 344	92 909	67 565	17 798	85 363	69 275	25 666	94 941
Debt without recourse	132 392	55 863	188 255	98 052	79 009	177 061	130 750	48 172	178 923
Current bank accounts with recourse		9 000	9 000		6 144	6 144		8 730	8 730
Liabilities on derivatives		418	418		2 183	2 183		3 143	3 143
TOTAL FINANCIAL LIABILITIES	**313 191**	**125 915**	**439 106**	**310 496**	**143 092**	**453 589**	**368 873**	**122 910**	**491 783**

Debts "without recourse" concern:

- Financing of assets not guaranteed by the parent company TOUAX SCA for which the debt service must be provided by the income generated by the assets being financed (both by rental income and sale proceeds).
- Financing not secured by the parent company TOUAX SCA granted to fully consolidated subsidiaries although not 100% owned by the Group.

IFRS 7.8 defines the following categories of financial instruments:

At December 31, 2014

Types of financial liability *(€ thousands)*	Consolidated financial statements	Valuation at fair value	Differenc e (%)	Sensitivity +1%	difference compared with fair value
Financial liabilities valued at amortized cost	438 688	437 804	-0,20%	434 165	-0,83%
Financial liabilities valued at fair value	418	418	0,00%		-100,00%
TOTAL	**439 106**	**438 222**	**-0,20%**	**434 165**	**-0,93%**

At December 31, 2013

Types of financial liability *(€ thousands)*	**Consolidated financial statements**	**Valuation at fair value**	**Difference (%)**	**Sensitivity +1%**	**difference compared with fair value**
Financial liabilities valued at amortized cost	451 405	449 482	-0,43%	444 643	-1,08%
Financial liabilities valued at fair value	2 054	2054	0,00%		0,00%
TOTAL	**453 460**	**451 536**	**-0,42%**	**444 643**	**-1,53%**

At December 31, 2012

Types of financial liability *(€ thousands)*	**Consolidated financial statements**	**Valuation at fair value**	**Difference (%)**	**Sensitivity +1%**	**difference compared with fair value**
Financial liabilities valued at amortized cost	488,640	487,946	-0.14%	482,194	-1.18%
Financial liabilities valued at fair value	3,143	3143	0.00%		0.00%
TOTAL	**491,783**	**491,088**	**-0.14%**	**482,194**	**-1.81%**

As stated in note 1.18.3, financial liabilities are valued at cost amortized by the “effective interest rate” method.

Applying the fair value principle would value the financial liabilities at €438.2 million, using closing prices at December 31, 2014.

- The fair value of fixed-rate debt is determined for each borrowing by discounting future cash-flows. The discount rate used is the average rate of fixed-rate debt considered representative of the financing rate for the Group's risk class with no listed securities (credit derivatives or bond yields).

- The net book value of variable-rate debt (both long-term and short-term) provides a reasonable approximation of their fair value.

Derivative liabilities are assessed using the values obtained from first-rate financial institutions.

note 18.2.2. BREAKDOWN BY DUE DATE OF LOANS AND PAYMENTS AT DECEMBER 31, 2014

(€ thousands)	**2015**	**2016**	**2017**	**2018**	**2019**	**5 yrs+**	**TOTAL**
Bond issues	114			21 542			21 656
Medium/long-term loans with recourse	14 394	13 671	8 786	4 372	8 384	5 200	54 807
Finance leasing commitments with recourse	20 783	17 608	12 283	8 335	7 174	5 878	72 061
Short-term loans with recourse	9 922	67 548					77 470
Debts without recourse	55 124	11 839	95 738	13 052	4 140	7 624	187 516
TOTAL capital flow on loans	**100 338**	**110 665**	**116 807**	**47 301**	**19 698**	**18 702**	**413 511**
Future interest flow on loans	9 643	6 486	4 744	3 410	1 267	529	26 078
TOTAL FLOW ON LOANS	**109 981**	**117 151**	**121 550**	**50 711**	**20 965**	**19 231**	**439 589**

This table only shows cash flows actually contracted for, and accordingly excludes those connected with borrowing such as overdrafts and annually renewed lines of credit to which the banks have not made a firm commitment. These renewable sources of finance are shown under Current Financial Liabilities and described in note 18.2.1.

Interest payable in future on variable rate loans has been estimated on the basis of the interest rates applicable on December 31, 2014.

note 18.2.3. COMMITMENTS AND SPECIFIC CLAUSES OF THE LOANS

Some short and medium term bank loans include default clauses concerning failure to respect financial ratios (financial covenants). These clauses apply to debts coming to €130 million on December 31, 2014. They entitle banks to insist on early repayment if the terms of the covenant are not met.

The financial covenants calculated on the Group's consolidated financial statements are presented in the following table:

Borrower	Touax SCA	Touax SCA	Touax SCA	Touax Leasing Corp/Touax Hydrovia Corp	Touax Container Services
Type of facility	club deal	club deal	bond issue	bilateral	bilateral
Period and issue mode	5 year revolving credit in multiple currencies	5 year long-term credit	6 year bullet repayment	7 year long-term amortizable debt	2 years revolving credit in multiple currencies
Maximum amount	€67.5m	€43m	€15m	$22.3m	€10m
Outstanding liabilities 12/31/14	€67.5m	€21.5m	€15m	$19.6m	€0m
Scope of calculation	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts
Leverage with recourse (net financial debt with recourse / EBITDA after distribution to investors)	less than 4.75 at 31/12/14, then less than 4	less than 4.75 at 31/12/14, then less than 4	less than 4.75 at 31/12/14, then less than 4		less than 4.75 at 31/12/14, then less than 4
Gearing (net debt with recourse / stockholders' equity)	below 1.9	below 1.9	below 1.9	below 1.9	below 1.9
Interest Coverage (restated EBITDA after distribution / Net financial expenses)				greater than 2	
Calculation frequency	semi-annual	semi-annual	semi-annual	semi-annual	semi-annual
Loan maturity date	14/04/2016	08/03/2017	14/12/2018	31/12/2019	30/06/2015
Security	no	no	no	package of guarantees	no
Cross-default clauses	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than €5 million within the scope of calculation	default on a debt greater than €10 million within the scope of calculation

Financing of assets and acquisitions borne by dedicated companies also include financial covenants that may result in compulsory prepayment of the loans concerned.

The financial covenants calculated on the Group's consolidated financial statements were respected on 31 December 2014.

	2014
Gearing with recourse (net debt with recourse / shareholders' equity)	0,99
Total gearing (net debt / shareholders' equity)	1,94
Leverage with recourse (net debt with recourse/ restated EBITDA after distribution to investors)	4,34
Total leverage (net debt / restated EBITDA after distribution to investors)	8,51

The Group's level of gearing is consistent with its capital-intensive leasing business. The Group's level of leverage reflects the currently low utilization rates particularly in the Modular Buildings sector.

Recourse debt is limited to 40% of gross debt in the calculation of ratios.

Clauses requiring the Group to be controlled by the WALEWSKI family were also included.

Note that the TOUAX Group has no official financial credit rating and that in the financing agreements there is no advanced repayment clause which could be triggered by a lower credit rating.

note 18.2.4. ANALYSIS OF THE INDEBTEDNESS

Consolidated net financial debt is as follows:

(€ thousands)	2014	2013	2012
Financial liabilities	439 106	453 589	491 783
Derivative instruments asset	1 169	129	
Marketable securities & other investments	4 663	24 011	37 070
Cash assets	75 254	29 883	22 073
CONSOLIDATED NET FINANCIAL INDEBTEDNESS	**358 020**	**399 565**	**432 639**
Non-recourse debt	188 255	177 061	178 923
FINANCIAL INDEBTEDNESS EXCLUDING NON-RECOURSE DEBT	**169 765**	**222 504**	**253 716**

Financial liabilities broken down by currency

(€ thousands)	2014	2013	2012
Euro (EUR)	331 261	356 979	407 266
US dollar (USD)	87 033	69 431	55 173
Polish zloty (PLN)	9 995	13 938	13 437
Others	10 817	13 112	15 907
TOTAL	**439 106**	**453 460**	**491 783**

Breakdown of gross debit by fixed rate – variable rate (including hedging instruments)

(€ thousands)	2014	2013	2012
Fixed rate	233 345	275 644	309 034
Floating rate	205 761	177 815	182 748
TOTAL	**439 106**	**453 460**	**491 783**

Average rate of gross debt by currency

	2014	2013	2012
Average debt rate in Euro (EUR)	3,42%	3,66%	3,42%
Average debt rate in US Dollar (USD)	3,52%	4,08%	4,26%
Average debt rate in Polish Zloty (PLN)	4,85%	5,98%	6,73%
Average debt rate in other currencies	5,24%	5,32%	5,21%
AVERAGE AVERALL NET DEBT RATE	**3,52%**	**3,85%**	**3,66%**

note 18.2.5. EFFECT OF FINANCIAL INSTRUMENTS ON NET INCOME

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2014
Interest income						
Interest expense		145	(18 085)	5		(17 934)
Impact on income		**145**	**(18 085)**	**5**		**(17 934)**
Exchange gain or loss						(80)
Impact of discounting						84
Interest on cash						205
Miscellaneous						
FINANCIAL RESULT						**(17 725)**

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2013
Interest income						
Interest expense		552	(20 455)	22		(19 881)
Impact on income		**552**	**(20 455)**	**22**		**(19 881)**
Exchange gain or loss						(555)
Impact of discounting						(26)
Interest on cash						207
Miscellaneous						(45)
FINANCIAL RESULT						**(20 300)**

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2012
Interest income						
Interest expense	196		(17 917)	(19)		(17 740)
Impact on income	**196**		**(17 917)**	**(19)**		**(17 740)**
Exchange gain or loss						14
Impact of discounting						71
Interest on cash						101
Miscellaneous						**(13)**
FINANCIAL RESULT						**(17 567)**

note 18.2.6. TRADE PAYABLES

(€ thousands)	**2014**	2013	2012
Shipping Containers	5 733	5 097	3 823
Modular Buildings	16 372	16 794	19 295
River Barges	1 366	1 860	1 145
Freight Railcars	3 369	3 046	4 152
Miscellaneous	1 410	1 332	1 000
TOTAL	**28 249**	**28 129**	**29 415**

All Accounts receivable are due within one year. Accounts receivable for shipping containers were reclassified to other current liabilities in active accounts receivable over the three years presented (see Note 1: Change in presentation)

NOTE 19. INVENTORIES AND WORK IN PROGRESS

Inventories and WIP include equipment to be sold as well as spare parts. The equipment is mainly intended to be sold to investors under asset management programs.

	2014			2013	2012
(€ thousands)	**Gross value**	**Prov.**	**Net val.**	Net val.	Net val.
Equipment	26 916	(230)	26 686	50 472	59 821
Spare parts	10 063		10 063	10 619	11 045
TOTAL	**36 978**	**(230)**	**36 749**	**61 091**	**70 866**

- The inventory of shipping containers corresponds to about 11,729 CEUs worth a total of €19.7 million.
- The modular buildings show a goods or work in progress inventory account of €6.8 million and a spare parts account of €2 million.
- Inventories of the freight railcars division present stocks of spare parts amounting to €8million

NOTE 20. OTHER CURRENT ASSETS

(€ thousands)	**2014**	2013	2012
Sale of fixed assets	11	4	56
Prepaid expenses	4 615	4 259	4 412
Taxes and duties	7 775	8 861	10 847
Others	2 768	5 168	4 385
TOTAL	**15 170**	**18 292**	**19 701**

Taxes and Duties are mainly made up of VAT at the end of period.

At December 31, 2014, "others" is made up of the current (less than 1 year) component of financial receivables from finance leases (i.e. €1.1 million on December 31, 2014, see notes to the consolidated financial statements note 1.18.2).

Other current assets are all recoverable within one year.

NOTE 21. SHAREHOLDERS' EQUITY

Details of stockholders' equity are given in the schedule of changes in stockholders' equity.

It may be noted here that:

- TOUAX made a payment of a dividend in January 2014 for an amount of €2.9 million and the payment of an interim dividend on 2 January 2015.

Management of capital

The Group's objective in managing its equity is to maximize the company's value by arranging for an optimal capital structure that minimizes the cost of capital and ensures the best possible return to stockholders.

The Group manages its borrowing structure by optimizing its debt/equity ratio in the light of changes in economic conditions, its own objectives, and management of its risks. It assesses its working capital requirements and its expected return on investment, in order to control its financing requirements. Depending on the growth of its market and expectations of managed assets' profitability, the Group decides whether to issue new equity or to sell assets to reduce its debt.

The Group uses its gearing ratio as an indicator for managing its debt/equity ratio. Indebtedness (with and without recourse) divided by stockholders' equity.

The debt/equity ratios are as follows:

(€ millions)	**2014**	2013	2012
Net debt with recourse	169,8	222,5	253,7
Net debt without recourse	188,3	177,1	178,9
Equity	184,6	184,4	173,0
Debt ratio (excluding non-recourse debt limited to 40% of gross debt)	0,99	1,21	1,47
Debt ratio of non-recourse debt (limited to 40% of gross debt)	0,95	0,96	1,03
DEBT RATIO	**1,94**	**2,17**	**2,50**

Hybrid debt

The Group made two issues of Undated Super Subordinated Notes (TSSDI) in 2013 and another in 2014, constituting a single stub to the amount of €50.8 million. The Group will have the option to pay them back at par value from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. The payment of the coupon depends on the payment of a dividend by the parent company. In accordance with IFRS standards, these securities are accounted for as equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of the Group's assets and its business development financing requirements.

Hybrid Debt *(€ thousands)*	Part 1	Part 2	Part 3	**TOTAL**
Issue price	20 525	12 250	18 025	50 800
costs	-481	-156	-2	-639
Hybrid debt after deduction of issuing charges	**20 044**	**12 094**	**18 023**	**50 161**
Coupons received		301	1 158	1 460
TOTAL	**20 044**	**12 395**	**19 182**	**51 621**

NOTE 22. PROVISIONS

(€ millions)	2013	Provision	Reversal used	Unused reversal	Exchange gain	**2014**
Shipping Containers	4					4
Modular Buildings	1 282	973	(1 230)		1	1 026
River Barges						
Freight Railcars						
Unallocated	209	52	(131)			130
TOTAL Contingency provisions	**1 495**	**1 025**	**(1 361)**		**1**	**1 160**

(€ millions)	2013	Provision	Reversal	Reclassification	Exchange gain	**2014**
Modular Buildings	703		(690)			14
TOTAL Restructuring provision	**703**		**(690)**			**14**
TOTAL PROVISION IN CURRENT LIABILITIES	**2 199**	**1 025**	**(2 051)**		**1**	**1 173**

The risk provisions are mainly composed of customer, supplier and industrial tribunal risks.

The provision for restructuring is for the costs of the corporate restructuring plan resulting from the shutting down of the modular buildings production at Mignières (France) in 2013.

NOTE 23. EMPLOYEE BENEFITS

Changes in superannuation commitments can arise from:

- of personnel movements (arrivals of new personnel and departures),
- acquisition of entitlement by staff members during their employment within the business,
- changes in pay, and other actuarial assumptions.

(€ thousands)	2013	Provision	Reversal	Change in perimeter	Exchange gain	**2014**
Shipping Containers	16	35	(20)			**31**
Modular Buildings	147	8	(18)			**138**
River Barges	11	8	(11)			**8**
Corporate	215	89	(215)			**89**
TOTAL	**389**	**140**	**(264)**			**266**

The following assumptions were made to assess superannuation commitments:

- Employees’ predicted length of service, calculated using probability coefficients for the various age groups,
- A discount rate of 1.612%,
- Pay rising at 0.5%,
- Retirement at age 65.

NOTE 24. OTHER LONG-TERM LIABILITIES

(€ thousands)	**2014**	2013	2012
Modular Buildings	1 508	3 009	1 102
TOTAL	**1 508**	**3 009**	**1 102**

In 2009, the Modular Building division set up a new type of sales agreement with a repurchase commitment. This agreement involves recognizing the Group's repurchase commitment as well as the deferred income relating to the lease of modular buildings. Both these items are included in Other long-term liabilities.

NOTE 25. OTHER CURRENT LIABILITIES

(€ thousands)	**2014**	2013	2012
Capital creditors	3 360	18 714	21 979
Tax and social security liabilities	12 377	17 752	19 017
Accounts payable	30 695	20 817	21 445
Deferred revenue	5 826	6 909	6 885
Other current liabilities	7 534	2 269	4 913
TOTAL	**59 792**	**66 461**	**74 238**

Accounts receivable for shipping containers were reclassified to other current liabilities in active accounts receivable over the three years presented (see Note 1: Change in presentation).

Accounts receivable in 2014 represents €2.1 million for the purchasing of railcars and €0.8 million for modular buildings in France.

Accounts receivable in 2013 related to the purchase of shipping containers for €18.3 million.

Accounts receivable in 2012 were made up of the purchase of Shipping containers for a total of €9.7 million, the purchase of barges for €5 million, vendor credit and the additional price linked to the acquisition of the Moroccan companies for a total of €4.2 million, and the option to buy the minority interests of SACMI for a total of €2.1 million. These debts were paid off in 2013.

The trade debt is mainly made up of the income due to investors in the Shipping Container, Freight Railcar and Modular Building businesses (€24.2 million on 31 December 2014 compared with €18.2 million on 31 December 2013).

Other current liabilities mainly include the amounts to due to investors in respect of compensation paid by clients in relation to lost or damaged materials.

NOTE 26. RISK MANAGEMENT

note 26.1. MARKET RISK

Financial and market risks include currency risk, interest-rate risk, equity risk, and counterparty risk.

Interest rate risk and exchange rate risk are managed centrally within the Treasury and Finance Department which provides monthly reports to the Executive Committee.

Interest rate risk and exchange rate risk are monitored through monthly reporting by subsidiaries to the Treasury and Finance Department; these reports include borrowings from outside establishments as well as loans agreed between Group subsidiaries. The information is checked, analyzed, consolidated and forwarded to the Executive Committee. The Treasury and Finance Department makes recommendations on the management of interest rate and exchange rate risks, and decisions are made by the Group Executive Committee. Standard office IT tools enable the Group's to adequately monitor these risks.

note 26.2. CREDIT RISK

Credit risk is described in note 18.1.3, page 101.

note 26.3. LIQUIDITY RISK AND COUNTERPARTY RISK

- **Liquidity risk**

It is managed by the Group's Treasury and Finance Department which reports to the Group's Administrative and Finance Department. Overall cash flow management at the Group level allows to compensate for surplus cash and cash requirements in order to limit the use of financial borrowing.

Liquidity risk management is assessed via the Group's requirements defined in the three-year plan, the annual cash flow budget, as well as via monthly and weekly forecasts. All reports are sent to the Group's Executive Committee.

The objective for cash flow management is to meet the Group's deadlines while maintaining the leeway decided by the Group's Executive Committee and optimizing the financial costs of the debt.

For that purpose, the Group has credit lines approved by its banking partners, comprising revolving bank loans for pre-financing its assets, credit lines for asset finance leases, and bond issues in order to optimize matching of debt servicing with the income generated by assets.

All of the loans are negotiated or approved by the Treasury and Finance Department in order to control the Group's legal and financial commitments both on and off the balance sheet.

Some loans include clauses with drawdown conditions (asset eligibility) and others include financial commitments (ratios) that the Group must comply with, as indicated in note 18.2.3.

In the short term, the main risks for the Group's liquidity are related to the non-renewal of revolving credit lines and refinancing of the railcar financing line (non-recourse loan, due in May 2015). The theoretical maturity dates in 2015 are presented below:

(€ millions)	2015
Repayment of medium/long-term credit	35,4
Repayment of confirmed short-term credit with recourse	10,2
Repayment of debts without recourse	55,9
Repayment of annual revolving credit	24,4
TOTAL	**125,9**
Estimated financial charges	11,0
TOTAL	**136,8**

At the end of December 2014, the Group's balance sheet showed €79.9 million in cash and cash equivalents, over €14.6 million in available lines of credit to meet its cash requirements, and €19.7 million of assets in inventory intended for sale to investors. To date the Group's financial partners have confirmed their commitment to the refinancing mentioned above for a higher amount. The finance line to be refinanced amounts to €48 million on December 31, 2014.

The Group believes there is little risk of non-renewal of its short-term credit lines reaching maturity, and notes that the use of these revolving lines of credit depends on asset pre-financing needs, and therefore on the Group's investments or on temporarily including assets on its balance sheet.

A liquidity risk may arise if the Group cannot use the renewable credit facilities for financing assets due to its inability to meet the eligibility criteria that are conditions for using the credit lines.

In the longer term, the liquidity risk resides in inappropriate matching of income generated by its leased assets with loan maturities.

The timetable of dates when the Group's debt falls due is as follows:

(€ millions)	TOTAL	2015	2016	2017	2018	2019	+5 years
Debts with recourse	250,8	70,1	98,8	21,1	34,3	15,6	11,1
Debts without recourse	188,3	55,9	11,8	95,7	13,1	4,1	7,6
TOTAL	439,1	125,9	110,7	116,8	47,3	19,7	18,7

In general the Group's liquidity risk is limited, thanks to its ability to sell or refinance its assets: The assets operated by the Group are standardized and low-tech; they keep relatively high residual values in a fairly liquid market.

- **Counterparty risk for the Group**

It consists of the following 3 main risks:

- cancellation of approved credit lines following the default of a lender,
- counterparty default in the unwinding of an over-the-counter derivative,
- non-repayment of cash surpluses invested in spot or futures markets with a financial institution or as part of an investment.

The Group prefers financial relations with first-rate banks, i.e. institutions with excellent credit ratings from international credit rating agencies, for both renewable credit facilities and over-the-counter trading of hedging derivatives.

The Group only invests its surpluses in non-dynamic monetary investment products with first-rate banks in spot or futures markets.

Thus the Group believes it has little exposure to counterparty risk and does not use any derivatives to manage that risk.

note 26.4. INTEREST-RATE RISK

The TOUAX Group relies on loans for both its development requirements and its investment policy. A large share of its loans apply a variable interest rate. Most of the Group's interest-rate risk is related to its variable interest-rate loans.

In order to limit the negative impact of a rise in short-term rates, the Group's policy is to not speculate in interest rates. It uses plain vanilla derivatives, and negotiates new fixed-rate or variable rate loans according to its decision to modify the fixed rate-variable rate share of its debt.

In order to limit the use of market transactions, the Group also strives to negotiate loans allowing modification of the indexing of interest from variable to fixed rates.

In 2014, the Group did not use new interest rate derivatives. The hedges put in place in previous years continue to produce their effects. At the end of 2014, fixed-rate debt (after hedging operations) represented 53% of total debt, compared with 61% at the end of 2013. Long term fixed-rate debt represented 94% of total long-term debt, as at the end of 2013.

- **Hedging of Interest Rate Risk**

The Group obtains financing at both variable and fixed rates, and uses interest rate derivatives in order to reduce its net exposure to interest rate risk. These derivatives are never held for speculation.

Those instruments are mainly interest rate swap agreements, but the Group may occasionally use interest rate options (by purchasing caps or tunnels). These instruments are traded over-the-counter with first-rate bank counterparties.

Off balance sheet financial instruments had the following characteristics at December 31, 2014:

(€ thousands)	Par value	Par value by maturity date			Valuation at 31/12/2014
		<1 year	1-5 years	> 5 years	
Interest rate swaps borrower fixed rate / lender variable rate					
EUR Euribor / fixed rate	70 855	57 143	13 713		
USD Libor / fixed rate	7 823	1 043	6 780		
PLN Wibor / fixed rate	1 060	739	321		
TOTAL INTEREST RATE HEDGING	**79 738**	**58 925**	**20 814**	**- -**	**528**

All the interest rate derivatives meet the accounting criteria for hedges (hedging of cash flows) insofar as they are traded in order to perfectly reflect the maturity dates of the variable rate debts they hedge.

The impact of derivative instruments on the gross debt per currency is presented below:

(€ thousands)	Amounts at 31 December 2014		
	before hedging	Impact of derivatives	after hedging
Euro at fixed rate	117 560	70 855	188 415
Euro at floating rate	213 701	-70 855	142 846
Dollar at fixed rate	22 061	7 823	29 884
Dollar at floating rate	64 972	-7 823	57 148
Zloty at fixed rate	4 771	1 060	5 831
Zloty at floating rate	5 224	-1 060	4 164
Other currencies at fixed rate	9 214		9 214
Other currencies at floating rate	1 603		1 603
Total debt at fixed rate	153 607	79 738	233 345
Total debt at floating rate	285 499	-79 738	205 761
TOTAL DEBT	**439 106**		**439 106**

- **Sensitivity to changes in interest rates**

A 100 base point increase in short-term rates would have a direct impact on the Group's financial charges of almost €2million on 31 December 2014, equal to around 13% of theoretical interest expenses. This theoretical calculation is determined after taking into account derivatives, on the assumption that net debt remains stable over the coming year.

note 26.5. CURRENCY RISK

Due to its international presence, the TOUAX Group is exposed to currency rate fluctuations, and some years almost 50% of the Group's revenue is in US dollars, and a significant share of its revenues is generated in Czech crowns and Polish zloty.

Nevertheless, the Group believes it has relatively little exposure to operational currency risk as income and expenses are usually generated in the same currency, and the Group finances its assets in the same currency as its revenues.

However, the Group may need to set up hedges for its budget or for orders when operational currency risks are identified. In this case, the hedging instruments used are forward sales or purchases, or plain vanilla options.

The Group's main identified operational currency risks are related to :

- the structure of overheads for the Shipping Container business, which are mostly in euros while revenues are in US dollars;

- the production of modular buildings, where the Czech Koruna or Moroccan Dirham is the main currency but sales are in Euros or foreign currencies.

There was no hedging of operational foreign exchange risk on 31 December 2014.

The Group's objective is to minimise financial currency risks, i.e. risks related to financial assets in foreign currency whose fluctuations would affect net financial income. Balance sheet positions in foreign currency are tracked monthly and reported to the Executive Committee. On 31 December 2014, those positions were not significant.

Due to its presence in various countries, the Group is subject to currency risks related to its investments in foreign subsidiaries. This risk arises in the changes in the Group's equity (net investment rule) and in the conversion of the subsidiary's results into Euros for the parent company.

The Group does not hedge the currency risk concerning its equity. However, on several occasions in the past it has hedged the risk of converting the foreign currency results of some of its subsidiaries into Euros by purchasing options from first-rate counter-parties, using the entities' budgeted results as a reference. On 31 December 2014 the Group did not have any hedging positions for its foreign currency results budgeted for in 2015.

As part of its overall cash flow management, the Group is led to change surpluses of a currency into Euros, in order to minimise financial expenses and recourse to bank debt. As part of this multicurrency cash management, the Group regularly sets up forward contracts making it possible to offset variations in the value of intercompany borrowings. These forward contracts are made with first-rate bank counterparties.

- **Hedging of Currency Risk**

The Group therefore sets up forward exchange transactions on a regular basis in order to hedge its exposure linked to managing its cash in foreign currencies (USD, CZK and PLN).

The following table shows the foreign currency forward exchange transactions portfolio at December 31, 2014:

(€ thousands)	Par value	Maximum due date
USD forward purchase portfolio	61 638	07/01/2015
CHF forward purchase portfolio	58	07/01/2015
GBP forward purchase portfolio	82	07/01/2015
CZK forward purchase portfolio	1 512	07/01/2015
TOTAL OF FORWARD PURCHASE PORTFOLIOS	**63 290**	
USD forward purchase portfolio	9 628	07/01/2015
PLN forward purchase portfolio	5 579	07/01/2015
CZK forward purchase portfolio	2 014	07/01/2015

- **Fair value hedge**

(€ thousands)	**2014**
Variation in fair value of the hedging instrument	2 033
Variation in fair value of the hedged item	(2 034)
NET IMPACT ON EARNINGS OF FAIR VALUE HEDGES	(1)

The net impact on earnings of a fair value hedge represents the ineffective component of the hedge.

- **Impact of the exchange rate on the operating income before tax and extraordinary items and on stockholders' equity**

The Group’s exposure to fluctuations in exchange rates is mainly concentrated on changes to the US dollar, the Czech Koruna, the Polish Zloty and the Moroccan Dirham; other foreign currencies are insignificant. The parity used to convert foreign currency accounts of subsidiaries into euros has the following impact on the Group’s income and share of stockholders’ equity in case of a 10 % fall in value:

	Impact on operating income after distribution to investors	Impact on shareholders' equity (Group's share)
Fall of 10% in the US dollar	-17,75%	-3,90%
Fall of 10% in the Czech crown	-2,94%	-0,37%
Fall of 10% in the Polish zloty	2,27%	-0,45%
Fall of 10% of the Morroccan dirham	4,80%	-0,18%

The Modular Building division works mainly in euros, in Czech crowns and in Polish zloty. The River Barge and Freight Railcar divisions are mainly denominated in euros within Europe, and in USD in the USA and South America. The business of leasing and selling shipping containers is international, and mainly conducted in USD, the remainder being billed in some 25 international currencies – since the containers may be returned in about 25 different countries.

For long-term assets and liabilities the Group's policy is to correlate fixed assets denominated in foreign currency with borrowings denominated in the same currency, to avoid exposure to foreign exchange risk.

note 26.6. Equity Risk

Equity risk is the risk of an adverse change in the price of equity securities held by the Group.

The Group's investment strategy provides for only investing surplus liquidity in cash-based mutual funds (UCITS) for short periods. The Group has no dealings on the financial stock markets.

The main equity risk concerns the liquidity agreement it signed with an investment services provider. The amounts currently invested do not represent a significant risk for the Group.

note 26.7. Raw material prices risk

This risk is explained in section 4.3.26 of this document.

note 26.8. Tax risk

Tax audits mentioned in the reference document 2013 came to an end in 2014, with no impact on the Group, the tax authorities having abandoned their claims.

On 18 June 2014, TOUAX SCA received notice of complete tax relief from the tax administration which in fact was abandoning the proposed corrections received in July 2012 and reclassifying contracts for services provided by joint-venture companies. Bank guarantees that have been constituted by the group have been lifted.

Moreover, on 4 February 2014, TOUAX SCA also received a notice of absence of correction from the tax authorities. This notice marked the end of a verification process which began in July 2012 with a tour of the premises of the company followed by a seizure of documents.

note 26.9. Employment risk

Following the job-saving scheme Plan de Sauvegarde de l'Emploi (PSE) started in 2013-2014 when the Modular Buildings assembly unit in Mignières closed, the 27 employees made redundant for economic reasons challenged their dismissal at the Employment Tribunal of Chartres.

Insofar as our job-saving scheme was approved by the DIRECCTE (and that the approval was not challenged within the time-limit), we believe that there is an extremely low risk of us being convicted for a lack of genuine and serious grounds for our economic reasoning. No provision has therefore been recorded.

NOTE 27. Related Parties as defined in IAS 24

The definition used for related parties is that given in IAS 24.9. Related parties are the key management personnel of TOUAX SCA, i.e. those who have authority and responsibility for planning, managing, and controlling the Group's activities. The officers who fit this description are Fabrice and Raphaël WALEWSKI, the Managing Partners of TOUAX SCA, as well as Société Holding de Gestion et de Participation (SHGP) and Société Holding de Gestion et de Location (SHGL), General Partners. Members of the Supervisory Board, in view of their control function, are also regarded as related parties.

The amount paid to the General Partners in 2014 for their 2013 compensation in accordance with the articles of association was €509,000.

A related party has a significant influence if it is able to take part in financial and operational policy decisions, without however exerting control over these policies. This influence is deemed to be significant if a physical person, legal entity or group of persons holds over 20% of the voting rights: Alexandre, Fabrice and Raphaël WALEWSKI acting together hold directly and indirectly over 20% of the shares.

The Group has not concluded any significant transactions with related parties.

Compensation of the key management personnel does not include any of the five criteria of IAS 24.16: short-term benefits, post-employment benefits, other long-term benefits, termination benefits or share-based payments. The officers receive none of these benefits. (see details in chapter 15 of the reference document).

A transaction was indirectly concluded between TOUAX SCA and its Managing Partners, through a real estate investment trust, relating to the leasing of its premises in the Tour Franklin for a total of €1,213,000 per year.

At the end of 2014, equipment, with a gross value of €555,000 belonging to a General Partner, was managed by the Group. These investments generated total income of approximately €26,000. The General Partner received no preferential treatment in these dealings, since this equipment is managed under the same terms as equipment managed on behalf of third parties. In addition, management of this equipment is governed by a Code of Practice approved by the Supervisory Board.

The total compensation of the corporate officers came to €957,200 in 2014.

The pension and supplementary pension commitments for members of the Executive Committee are immaterial (statutory retirement benefits). TOUAX SCA has no stock option schemes.

The compensation of members of the Supervisory Board is listed in section 15. It amounted to €61,500.

Relations between the parent company and its subsidiaries are explained in section 7.2 of this reference document.

NOTE 28. OFF-BALANCE SHEET COMMITMENTS

The financial statements do not omit any off-balance sheet commitments that are material according to current accounting standards.

note 28.1. NON-CAPITALIZED OPERATING LEASES

(€ thousands)	TOTAL	< 1 yr	1 - 5 yrs	> 5 yrs
Operating leases with recourse	29 615	6 171	19 681	3 763
Including property (offices)	20 026	4 452	11 811	3 763
Operating leases without recourse against the Group	36 223	13 290	22 933	-
Of which, shipping containers	35 783	*13 073*	*22 710*	-
Of which, freight railcars	440	*216*	*223*	-
TOTAL	**65 838**	**19 461**	**42 614**	**3 763**

Without recourse against the Group: the Group's obligation to pay lease payments to the banks is suspended if the customers (sub-lessees) default on their own contractual payment obligations.

note 28.2. OTHER COMMITMENTS MADE

- **Bank guarantees issued on the Group's behalf at December 31, 2014**

(€ thousands)	Amount	Maturity
Bank guarantee	**3 456**	
Modular buildings	3 344	2 019
River barges	112	Undated
Freight railcars		

- **Materials from external suppliers of firm orders**

Firm orders and investments as of 31 December 2014 amount to approximately €42.5 million, including €21.5 million in shipping containers and €21 million in railcars.

note 28.3. OTHER UNDERTAKINGS RECEIVED

- **Fixed-term operating leases**

The minimum future payments to be received under operating leases came to €286 million.

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	**2014**
0-6 months	37 070	6 571	3 453	10 632	57 725
6 months - 1 year	36 047	4 938	3 587	8 068	52 640
Between 1 and 5 years	124 498	6 698	19 809	13 687	164 692
More than 5 years	2 464	613	7 049	671	10 797
TOTAL MINIMUM OPERATIONAL RENTS	**200 079**	**18 820**	**33 898**	**33 057**	**285 854**

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	2013
0-6 months	26 992	6 825	3 609	10 815	48 241
6 months - 1 year	22 140	5 016	3 189	8 353	38 698
Between 1 and 5 years	104 607	6 508	17 831	9 322	138 269
More than 5 years	4 734	141	8 499		13 374
TOTAL MINIMUM OPERATIONAL RENTS	**158 473**	**18 491**	**33 128**	**28 490**	**238 582**

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	2012
0-6 months	26 903	9 728	2 956	11 929	51 516
6 months - 1 year	21 467	5 230	2 722	9 419	38 837
Between 1 and 5 years	102 745	6 970	17 414	14 377	141 505
More than 5 years	18 859	2	13 071		31 933
TOTAL MINIMUM OPERATIONAL RENTS	**169 974**	**21 929**	**36 162**	**35 725**	**263 791**

Deconsolidated Finance Leases

The Group classifies finance leases as “deconsolidated” when the credit involved in the finance lease has been sold on to a financial institution or an investor, and the conditions for deconsolidating a financial asset defined in IAS 39 § 18b, §19 and §20 are met. There can be no recourse against the Group for such contracts.

Lease payments received are recognized under Leasing Revenues.

Lease payments still to be received under these contracts are as follows:

(€ thousands)	Rents for receipt on 31/12/2014	1 year	1 to 5 years	5 years+
Shipping containers	37 805	13 505	24 299	0
Freight railcars	502	251	251	0
TOTAL	**38 306**	**13 756**	**24 550**	**0**

(€ thousands)	Rents for receipt on 31/12/2013	1 year	1 to 5 years	5 years+
Shipping containers	46 484	12 795	33 594	96
Freight railcars	831	390	442	
TOTAL	**47 315**	**13 185**	**34 035**	**96**

(€ thousands)	Rents for receipt on 31/12/2012	1 year	1 to 5 years	5 years+
Shipping containers	61 647	14 137	44 870	2 639
Freight railcars	3 605	2 736	869	
TOTAL	**65 252**	**16 873**	**45 739**	**2 639**

note 28.4. SECURED DEBT PROVIDED

To guarantee the loans granted to finance the Group's proprietary assets (apart from leasing agreements), the Group's subsidiaries have granted the following security interests:

(€ thousands)	Commencement	Maturity	Asset pledged (gross value)	Total balance Sheet item (gross value)	%
Mortgages (river barges)					
	2012	2020	4 695		
	2012	2019	9 192		
	2013	2020	9 192		
TOTAL			**23 079**	**76 481**	**30,2%**
Tangible assets pledged					
Modular buildings			**22 123**	**322 188**	
	2005	2016	5 420		
	2011	2016	2 704		
	2010	2017	3 000		
	2011	2020	7 246		
	2012	2020	3 753		
Shipping containers			**58 216**	**57 969**	
	2012	2015	38 201		
	2008	2016	4 118		
	2012	2019	15 897		
Freight railcars			**219 346**	**249 664**	
	2010	2014	62 357		
	2006	2016	14 530		
	2008	2018	34 269		
	2011	2021	16 343		
	2012	2015	91 848		
TOTAL			**299 686**	**629 821**	**47,6%**

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings. There are no other special conditions to be disclosed.

note 28.5. SECURITY AND GUARANTEES

The security and guarantees are issued by the parent company in return for bank loans granted to its subsidiaries.

(€ thousands)	< 1 year	1 - 5 years	> 5 years	TOTAL
Guarantees given to banks in return for loans used by subsidiaries	40 580	121 628	123 741	285 949

Outstanding loans in respect of these commitments granted to subsidiaries came to €135.6 million at December 31, 2014.

The securities and guarantees granted by TOUAX SCA are listed in section 7.2.

note 28.6. ADDITIONAL INFORMATION ON CAPITALIZED FINANCE LEASES

(€ thousands)	2014
ORIGINAL VALUE	189 013
Amortization for the period	8 991
CUMULATIVE AMORTIZATION	50 250
NET BOOK VALUE	**138 763**

(€ thousands)	Future payments (min.) Leasing equipment	Interest	Present value of future payments	Residual value
2015	23 993	2 955	21 038	122
2016	19 614	1 980	17 634	580
2017	13 683	1 258	12 425	116
2018	9 101	761	8 341	422
2019	7 513	339	7 174	24
> 5 years	6 098	220	5 878	131
TOTAL	**80 003**	**7 513**	**72 490**	**1 395**
AMOUNT CHARGED TO INCOME STATEMENT	26 960			

NOTE 29. OTHER INFORMATION

note 29.1. FURTHER DETAILS REGARDING THE MODUL FINANCE I

In December 1997 and during the 1998 fiscal year, the TOUAX Group carried out an asset-backed securitization operation by selling 7869 modular buildings worth €42 million to Modul Finance I, an Economic Interest Grouping (EIG) registered in France. Investors belonging to the EIG initially held a 90% interest and the Group held the remaining 10%.

Under an operational management contract, Modul Finance I commissioned the Group to manage, lease out and, more generally, operate the modular buildings. As an agent, the Group receives lease payments from its customers, pays operating expenses directly to suppliers, and arranges within ninety days of the end of each quarter to pay the net distributable leasing income to Modul Finance I.

Since the Group had no control over the Modul Finance I as defined in the interpretation SIC 12: Consolidation – Special Purpose Entities, and law no. 2003-706 of August 1, 2003 on financial security, it was not included in the scope of consolidation until December 31, 2010.

On 14 January 2011, the TOUAX Group indirectly acquired a majority stake in the senior debt of the Modul Finance I, represented by A units of the Moduloc private-debt fund. Holders of A units in the private-debt fund sold their units to a company incorporated in Luxembourg, HPMF, which financed this acquisition by issuing bonds. The TOUAX Group applied for 85% of the bonds issued, for a total of €7,048,000. At the same time, TOUAX sold its stake in Modul Finance I.

Since the TOUAX Group bears most of the risks and receives most of the benefits of using Modul Finance I's assets, Modul Finance I has been included in the scope of consolidation since 2011. However, the profit and loss of Modul Finance I is fully recognised as a minority stock-holding, since the TOUAX Group does not have any stake in this entity.

20.2. FINANCIAL STATEMENTS

The consolidated financial statements are presented in section 20.1 page 70.

20.3. AUDITORSHIP

20.3.1. Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2014

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2014 on:

- the audit of the accompanying consolidated financial statements of TOUAX,
- the justification of our assessments,
- the specific verification required by law.

These consolidated financial statements have been approved by the Managing Partners. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall consolidated financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. Justification of our assessments

Pursuant to Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

As described in the note 1.2 to the consolidated financial statements, management of your company makes estimates and formulates assumptions that affect the amounts presented in its financial statements and the accompanying notes. This note also mentioned that these assumptions are by nature uncertain, actual results may differ from these estimates. In the context of our audit of the consolidated financial statements for the year ended December 31, 2014, we estimated that the accounts subject to significant accounting estimates, included impairment of goodwill and fixed assets.

These assets were subject to impairment tests as described in note 1.9 to consolidated financial statements. We examined the method of these tests and the data and assumptions on which the estimates are based, particularly the cash flow projections prepared by the operating divisions of the Group. We reviewed the calculations made by your company and sensitivities of the principal values used, evaluated the principles and methods for determining fair values and examined the approval process of these estimates by management. Finally we have verified that notes 15 and 17 to the consolidated financial statements provide appropriate information.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France and as required by law, we also verified the information presented in the Group management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 13, 2015

The Statutory Auditors

LNA	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

20.3.2. Special report of the Statutory Auditors on the regulated agreements and commitments

Year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.226-2 of the French Commercial Code (Code de commerce), it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to report to you the information stipulated in Article R.226-2 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

We hereby inform you that we have not been advised of any agreements or commitments authorized over the past year to submit to the approval of the Supervisory Board, pursuant to Article L.226-10 of the French Commercial Code.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments approved during previous years with continuing effect during the year

Pursuant to Article R.226-2 of the French Commercial Code, we have been advised that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, have had continuing effect during the year.

- **Lease agreement**

Your Company entered into a commercial lease with the real estate investment company, SCI FRANKLIN, concerning the lease for its corporate headquarters as well as an archives room and eight parking spaces. The annual rent follows the INSEE construction index, but an increase is limited contractually to 2 %. For fiscal year 2014, expenses totaled €1,161,495, and included provisions for occupancy expenses.

Paris and Neuilly-sur-Seine, March 13, 2015

The Statutory Auditors

LNA	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

20.3.3.Fees of the statutory auditors

(€ thousands)	Deloitte & Associés				Leguide, Naïm & Associés				Other networks			
	Amount		%		Amount		%		Amount		%	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT												
Auditorship, certification, inspection of indivual and consolidated financial statements	**469**	**500**	**88%**	**87%**	**82**	**77**	**95%**	**94%**	**132**	**109**	**81%**	**93%**
- TOUAX SCA	54	71	10%	12%	42	43	49%	52%				
- Consolidated subsidiaries (1)	415	429	78%	75%	40	34	47%	41%	132	109	81%	93%
Other controls and services directly connected with the audit engagement	**63**	**73**	**12%**	**13%**	**4**	**5**	**5%**	**6%**	**30**	**8**	**19%**	**7%**
- TOUAX SCA	39	40	7%	7%		5				8		
- Consolidated subsidiaries	24	33	5%	6%	4				30			
Subtotal	532	573	98%	97%	86	82	85%	92%	162	117	64%	65%
OTHER SERVICES PROVIDED BY AUDIT FIRMS TO FULLY CONSOLIDATED SUBSIDIARIES												
- Legal, tax & social security services	11	16	100%	80%	15		100%		4	35	4%	55%
- Other services		4		20%		7		100%	88	29	96%	45%
Subtotal	11	20	2%	3%	15	7	15%	8%	92	64	36%	35%
TOTAL	**543**	**593**	**100%**	**100%**	**101**	**89**	**100%**	**100%**	**254**	**181**	**100%**	**100%**

20.4. DATE OF THE LAST FINANCIAL INFORMATION

The last fiscal year for which the financial information has been audited ended on December 31, 2014.

20.5. INTERIM FINANCIAL REPORTS AND OTHER REPORTS

Not applicable

20.6. DIVIDEND DISTRIBUTION POLICY

The company has a policy of regular distribution of an annual dividend. The dividend varies according to the results. It has no set distribution rule such as a fixed percentage of net income or of the share price.

On January 2, 2015, the company paid an interim dividend of €0.50 per share. The Managing Partners won't ask the General Meeting of June 11, 2015 to approve an additional dividend.

Dividends that remain unclaimed five years after the payment date will lapse and be paid to the state.

20.6.1. Dividend history

Fiscal year *(in euro)*	Date of payment	General partners's statutory compensation	dividend per share	number of dividend-bearing shares	TOTAL of the distribution
2011	10 January 2012		0,50	5 714 500	2 857 250
2011	09 July 2012	980 515	0,50	5 712 507	3 836 769
TOTAL 2011			**1,00**		**6 694 019**
2012	10 January 2013		0,50	5 712 505	2 856 253
2012	05 July 2013	892 151			892 151
TOTAL 2012			**0,50**		**3 748 403**
2013	15 January 2014		0,25	5 878 921	1 469 730
2013	09 July 2014	508 611	0,25	5 876 633	1 977 769
TOTAL 2013			**0,50**		**3 447 499**

20.7. Legal and arbitration proceedings

No governmental, legal or arbitration proceedings (including all proceedings that the Group is aware of that are pending or with which it is threatened) have had or could have material effects on the financial situation or profitability of the Group in the last twelve months apart from the proceedings mentioned in note 26.8 page 112.

20.8. Significant changes in the financial or trading situation

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

21. Additional information

21.1. Share capital

HISTORY OF THE SHARE CAPITAL AT DECEMBER 31, 2014

Year	Share capital (€)	Issue premium (€)	Accumulated number of shares	Par value	Transactions
2010	45 507 608	12 302	5 688 451	€ 8	Issue of 625 shares following exercise of 2,444 redeemable stock warrants
	45 565 208	40 248	5 695 651	€ 8	Exercise of 7,200 stock options
2011	45 573 048	19 073	5 696 631	€ 8	Issue of 980 shares following exercise of 3,764 redeemable stock warrants
	45 765 992	294 527	5 720 749	€ 8	Exercise of 24,118 stock options
2012	45 921 832	232 123	5 740 229	€ 8	Exercise of 49,480 stock options
	45 922 136	870	5 740 267	€ 8	Issue of 38 shares following exercise of 144 redeemable stock warrants
2013	47 070 184	-143 506	5 883 773	€ 8	Issue of 143,506 shares following the capital increase by incorporation of part of the premium share
2014	47 070 184		5 883 773	€ 8	

INFORMATION CONCERNING ISSUE AUTHORIZATIONS IN FORCE AT December 31, 2014

The General Meeting of Shareholders of June 11, 2013 and June 11, 2014, with the unanimous agreement of the General Partners, has delegated the following issue authorizations to the Managing Partners:

description of the authorization	authorization date	Expiration date	Maximum amount athorized(1)	utilization during the fiscal year	Total amount unused
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital with preferential rights	Combined shareholders' meeting of 11 June 2013 (16th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2014	nil
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital without preferential rights through a public offering and with priority delay	Combined shareholders' meeting of 11 June 2013 (17th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2014	nil
(1) The ceiling of € 20,000,000 is the maximum amount authorized for all capital increases par value.					
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of a category of persons	Combined shareholders' meeting of 11 June 2014 (15th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€960,000**	unused in 2014	nil
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of the general partner Société Holding de Gestion et de Participation	Combined shareholders' meeting of 11 June 2014 (16th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused in 2014	nil
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of the general partner Société Holding de Gestion et de Location	Combined shareholders' meeting of 11 June 2014 (17th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused in 2014	nil

These authorizations cancel any previous delegations for the same purpose.

All financial instruments giving access to capital resulting in dilution are presented in chapter 17 page 66 of this document.

21.1.1. Subscribed capital

The share capital is fully subscribed and paid-up.

21.1.2. Securities not representing capital

There are no securities not representing capital.

21.1.3. Composition of the capital

On December 31, 2014 the capital was made up of 5,883,773 fully paid-up stock with a par value of €8, representing 7 401 631 voting rights. The breakdown of TOUAX SCA's capital and voting rights is detailed in section 18.1 page 67.

21.1.4. Potential capital

The equity warrants granted by TOUAX SCA are detailed in section 17.2 page 66 as well as in the notes to the consolidated financial statements section 20.1 page 70, note 21.

21.1.5. Unpaid capital

Not applicable

21.1.6. Conditional or unconditional agreements

Not applicable

21.1.7. Capital history

Cf. paragraph 21.1 page 118.

21.2. SHARE PRICE DATA

21.2.1. Share price history

On May 7, 1906 TOUAX shares were listed on the Paris Stock Exchange on the spot market. It was transferred to the Second Market on June 14, 1999. TOUAX was listed in Paris on NYSE Euronext in compartment C on January 26, 2012, after being listed in compartment B throughout 2011. TOUAX has been included on the CAC® Small and CAC® Mid & Small indexes since 2011 and on the EnterNext©PEA-PME index since 17 November 2014.

21.2.2. TOUAX share price

At the end of 2014, TOUAX stock was worth €14.70, down 22.4% compared with the price on December 31, 2013 (€18.94). The highest price of the year was €21.03 on January 23, 2014 and the lowest price was €13.51 on October 16, 2014.

At December 31, 2014, the Group's market capitalization came to €86,491,463 exactly, compared with a consolidated book equity (without hybrid capital) for the Group of €112.5 million on the same date.

YEAR *(in €)*	**2014**	2013	2012	2011	2010
Consolidated figures					
Net dividend per share distributed during the year	0,50	0,50	1,00	1,00	1,00
Total dividend distributed during the year	2 938 889	2 867 516	5 713 503	5 694 712	5 683 097
Dividend increase	2,49%	-49,81%	0,33%	0,20%	22%
Total number of shares at December 31	5 883 773	5 883 773	5 740 267	5 720 749	5 695 651
Share price ratios					
Net earnings per share	-2,19	-2,63	1,6	2,35	2,33
P/E ratio (1)	-	-	13,57	9,28	12,66
Total return on the share (2)	3,40%	2,64%	4,61%	4,59%	3,39%
Share price data					
Maximum share price	21,03	21,45	26,15	32,99	29,49
Minimum share price	13,51	15,71	19,19	19,60	17,13
Share price at December 31	14,70	18,94	21,71	21,80	29,49
Market capitalization at December 31 (€m)	86,49	111,44	124,62	124,71	167,82
Average daily volume of transactions (€ thousands)	51,12	85,57	86,52	116,73	99,01
Average daily number of shares traded	2 866	4 611	3 771	4 177	4 115

(1) Price/earnings ratio.
(2) The total return of the share for each year is calculated on the basis of the price at December 31.

The Managing Partners put forward a proposal at the General Meeting of 11 June 2015 not to distribute an additional dividend, given that an interim dividend of €0.50 was distributed on 2 January 2015.

21.2.3. Trading levels over the last eighteen months

The TOUAX share is listed on NYSE EURONEXT, ISIN code FR0000033003 – Reuters TETR. PA – Bloomberg TOUPFP equity.

(euro)	Highest price	Lowest price	Last price	Number of securities traded	Amount of capital traded (€ thousands)
September 2013	19,27	17,71	19,10	64 355	1 179,29
October 2013	20,98	19,00	19,70	96 365	1 900,62
November 2013	20,12	18,08	18,10	83 027	1 600,01
December 2013	18,94	17,51	18,94	146 062	2 634,32
January 2014	21,03	18,43	19,70	117 914	2 363,42
February 2014	20,47	18,10	20,12	89 570	1 710,80
March 2014	20,64	18,95	20,10	64 833	1 285,45
April 2014	20,09	19,55	19,90	26 400	524,97
May 2014	20,76	19,22	19,50	44 774	903,74
June 2014	19,68	17,92	17,93	43 156	801,09
July 2014	17,97	17,40	17,54	49 969	884,32
August 2014	17,75	15,93	16,99	40 553	688,42
September 2014	17,00	15,86	15,90	54 888	913,14
October 2014	15,96	13,51	14,20	65 634	976,18
November 2014	15,45	13,60	15,40	60 640	873,97
December 2014	16,30	14,52	14,70	72 578	1 111,01
January 2015	15,20	14,05	14,83	51 362	748,54
February 2015	16,80	14,32	16,36	56 812	909,54

21.2.4. Strict conditions for altering shareholders' rights

Not applicable

21.2.5. Conditions governing General Meetings

Cf. paragraph 21.3 concerning the extract dedicated to General Meetings on page 121.

21.2.6. Provisions restricting change of control

Cf. paragraph 21.3 page 121.

21.2.7. Crossing of thresholds

Cf. paragraph 21.3 concerning the extract dedicated to exceeding thresholds on page 121.

21.2.8. Strict provisions restricting changes in the share capital

Not applicable

21.3. PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACTS)

Form (Article 1)

The joint-stock company named "TOUAX SGTR-CITE-SGT-CMTE-TAF-SLM Touage Investissement réunies", was converted into a partnership limited by shares under French law, by decision of the Extraordinary General Meeting of June 30, 2005.

The partners are as follows:

- firstly, the General Partner(s) named in the present Articles of Association, who are indefinitely, jointly and severally liable for the partnership's debts, i.e.:

a) Société Holding de Gestion et de Location, a simplified joint-stock company (SAS), capital stock €7,271,010, whose registered office is located at Tour Franklin, 100-101 Terrasse Boieldieu, 92042 la Défense Cedex, FRANCE, registered on the Nanterre register of companies under reference number 484 322 342, represented by its Chairman, Mr Raphaël Colonna WALEWSKI.

b) Société Holding de Gestion et de Participation, a simplified joint-stock company (SAS), capital stock €7,281,010, whose registered office is located at 41 rue Charles Laffitte, 92200 Neuilly sur Seine, FRANCE, registered on the Nanterre register of companies under reference number 483 911 178, represented by its Chairman, Mr Fabrice Colonna WALEWSKI.

- and secondly, the holders of shares currently in existence or that may be created in future, having the capacity of limited partners, who are referred to in the current Articles of Association as "the stockholders" or "the limited partners", and who are only liable for the partnership's debts up to the amount of their capital contribution.

Object of the partnership (Article 2)

The object of the partnership is in particular, in all countries:

- to purchase, lease, finance, sell, operate and maintain any standardized, mobile equipment, including shipping or storage containers, modular buildings, river barges and railcars;
- to operate river push-towing, towing, haulage, transport and chartering services on all waterways,
- to design, build, fit out, repair, purchase, sell, operate directly or indirectly and lease modular and industrialized buildings, and all industrial, mobile and transportable equipment in general;
- to acquire holdings in and operate any business or enterprise of an identical, similar or related nature, whether by forming new companies, capital contributions, subscribing or purchasing shares or other rights in such enterprises, by merger, association, or in any other way;
- to acquire, obtain and sell all types of patents, patents of addition and licenses of patents and processes;
- to acquire interests of any kind in any industrial, financial or commercial corporation, any corporation dealing in real or movable property, in existence now or in the future, in France or abroad;

- to acquire, operate, build or in any way develop any kind of land or buildings,
- the option to carry out services of any kind for the TOUAX Group, relating to the aforementioned objectives and any similar or related objectives which may further the development of the business operations of the company and its subsidiaries;
- in general, to carry out any commercial, industrial or financial transaction involving real or movable property directly or indirectly related to the above objects which may further the development of the partnership's business.

Partner's rights over the profits (extract from Article 20)

Rights to the partnership's profits, reserves, and the liquidation surplus are allocated as follows:

- a sum shall be deducted from the profit for the fiscal year, less any losses brought forward, and allocated to the legal reserve. After this deduction, a sum shall be allocated to the General Partners equal to a share of the consolidated net earnings (Group's share) of the partnership, calculated according to the formula specified in Article 15.5 of the Articles of Association.
- the remainder of the profit after the above deductions shall either be distributed as a dividend on all shares or allocated to one or more non-interest-bearing extraordinary, general or special reserve funds, as decided by the General Meeting on the proposal of the management.

The General Meeting may also decide to distribute any amount from the reserves at its disposal, expressly indicating which reserves the withdrawals are made from.

General Partners' entitlement to profits (Article 15.5)

In view of their unlimited liability, the General Partners are entitled to compensation paid out of the partnership's net income after taxes, shared equally between them. From 2005, this compensation shall be 3% of the consolidated net income after taxes (Group's share). From 2007, the amount deducted from the partnership's earnings and allocated as compensation to the General Partners shall be increased by an amount equal to 1% of the consolidated EBITDA of the TOUAX Group, after deducting the leasing income due to investors. The EBITDA is the consolidated gross operating margin after deducting net operating provisions. This compensation shall be payable at the same time as the dividend paid to stockholders, or failing that, within sixty (60) days of the General Meeting called to approve the financial statements.

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

The members of the Supervisory Board are appointed by the Ordinary General Meeting for a period of one year (Article 12.1).

Each member of the Supervisory Board must own at least 250 of the partnership's shares (Article 12.2).

General Meetings (extracts from article 18 "meetings of limited partner stockholders")

The provisions applicable to meetings of limited partner stockholders shall be those provided for by the law for joint-stock companies.

General meetings shall be convened (at the registered office or such other place as indicated in the convening notice) by the Managers or the Supervisory Board or, failing these, by the auditors (Art. 18.2 "Convening of meetings – Agenda")

Unless expressly provided for by the law, all stockholders, regardless of the number of shares owned, are entitled to attend the General Meeting and to take part in its decisions in person, by proxy, or by absentee vote, regardless of the number of shares held, upon providing proof of identity and share ownership in either registered form or by depositing bearer securities at the places specified in the notice of meeting: the deadline by which these formalities must be completed is 3 days before the date of the General Meeting (Article 18.3 "Admission – holding of meetings").

Voting rights (extract from Article 9 "Rights attached to each share")

Double voting rights are allocated to all fully paid-up shares which can be shown to have been registered in the name of the same stockholder for at least five years.

Double voting rights attached to shares existing prior to the conversion of the company into an SCA (partnership limited by shares under French law) shall be maintained.

In addition, in the event of a capital increase through the incorporation of reserves, profits or issue premiums, double voting rights shall be granted, from the date of issue, to registered shares allotted free of charge to stockholders on the basis of existing shares for which they have double voting rights (extract from Art. 9.4).

Form of shares (extract from Article 7)

Until they have been completely paid-up, shares are required to be registered in the name of their holder at an account held by the company or a proxy designated by it. Wholly paid-up shares are registered or in bearer form, at the discretion of the stockholder, subject to legal or regulatory provisions in force; in particular, the form of shares belonging to members of the Supervisory Board and Managing Partners is specified by the law and regulations.

The shares give rise to an entry in the ledger under the terms and conditions set forth in the legal and regulatory provisions in force and are transferred directly from account to account.

Transfer of stock (extract from Article 8)

Shares are transferred directly from account to account, under the terms and conditions set by law.

Identifiable bearer securities

The partnership may at any time apply to Euroclear France for the identity of the holders of bearer securities.

Amendments to the articles of association

The Extraordinary General Meeting of June 30, 2005 changed the company's legal form from TOUAX SA, a listed company (*société anonyme*), to TOUAX SCA, a partnership limited by shares under French Law (*société en commandite par actions*).

In 2013, article 6, "capital stock" was modified following an increase in capital and article 2, "object of the partnership", was modified at the General Meeting.

- **Crossing of thresholds**

Only the legal thresholds must be respected.

22. Significant contracts

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

There are no contracts other than those entered into in the normal course of business, concluded by a member of the Group and including provisions imposing on any member of the Group a significant obligation or commitment for the Group as a whole, at the date of registration of the document.

23. Information from third parties, declarations of experts and declaration of interests

23.1. Contact details of the experts

Not applicable

23.2. Certificate of compliance of the declarations of experts

Not applicable

24. Documents accessible to the public

For the period of validity of the present reference document in accordance with Articles 22-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF), the Articles of Association, the auditors' reports and the financial statements for the last three fiscal years, as well as all reports, correspondence and other documents, historical financial information regarding TOUAX SCA, the Group, and its subsidiaries for the last three fiscal years, valuations and declarations drawn up by experts, when these documents are provided for by the law, and all other documents provided for by the law, can be consulted at the company's headquarters. In addition it should be noted that the reference documents including the financial statements and auditors' reports are available online on the Group's website (www.touax.com).

25. Information regarding holdings

The Group directly owns a significant subsidiary, TOUAX Container Leasing Pte Ltd, a company incorporated in Singapore. Key figures for this company are given in section 7.2 page 58.

The Group directly owns a significant subsidiary, GOLD Container Investment Ltd, a company incorporated in Hong Kong. Key figures for this company are given in paragraph 7.2 page 58.

All the Group's shareholdings are set out in the Notes to the consolidated financial statements note 2.2 page 84.

26. Reports of the Managing Partners

26.1. Managing Partners' report

Dear Stockholders,

TOUAX is a business services Group, specialized in operational leasing and the sale of standardized mobile equipment with a long service life (15 to 50 years):

- the shipping containers with a fleet of about 627,000 TEU (measurement of container size in twenty foot equivalent units) all over the world, making the Group the market leader in continental Europe, and in 9th position worldwide,
- modular buildings for use as offices, schools, hospitals etc., used by industry, local authorities and the construction industry. TOUAX is the 2nd largest leasing company in continental Europe, with an inventory of nearly 50,500 units in Europe, the USA and Morocco,
- river barges intended for leasing in Europe, the USA and South America. The Group is one of the leading players in the world,
- railcars used for carrying goods, for railway networks and by big industrial groups in Europe and the USA. The Group manages a fleet of about 8,600 railcars of which 1,300 railcars are being provided with technical management services.

TOUAX is ideally placed to cater for the rapid growth in outsourcing by companies of their non-strategic assets and their use of leasing, which makes it possible to offer:

- a flexible contract for the short or long term;
- no capital expense for the customer,
- subcontracted maintenance;
- rapid availability.

Since TOUAX is a partnership limited by shares under French law (SCA), it is stated that the joint decisions of the stockholders, apart from those relating to the appointment and dismissal of members of the Supervisory Board, only enter into force and become enforceable against the stockholders, the company and third parties, once it has been ascertained that the decision of the General Partners complies with the vote of the General Meeting of Limited Partner Stockholders.

1. The TOUAX Group

The Group's origins date back to 1853. The TOUAX Group was set up on December 31, 1898 and has been listed on the Paris Stock Exchange since 1906.

International Financial Reporting Standards (IFRS)

The 2014 consolidated financial statements and comparatives have been prepared according to the IFRS accounting standards, in accordance with the regulations in force.

Changes in the scope of consolidation

The TOUAX Group added three companies to its scope of consolidation following the setting up of entities. A complete list of the companies controlled by TOUAX is given in note 2.2 page 84.

Factors Affecting Our Results of Operations

Our results of operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors set forth below as well as certain historical events and actions.

Macroeconomic conditions and level of international trade volumes

We are subject to the effects of macroeconomic cyclicality and general economic conditions. Worldwide economic growth has a major impact on demand for the goods and services we provide through each of our divisions. Although periods of economic downturn or recession have had in the past, and may have in the future, an adverse impact on demand and prices for our products and services, our operations spread over four different divisions and our global presence help to mitigate the impact of a downturn in a particular industry or end-market.

Our Shipping Containers, River Barges and Freight Railcars divisions are each affected by variations in trade volumes. The shipping container market is by its nature international in scope. As a result, growth in the shipping container industry is tied to international trade volumes. Demand for leasing and sales of river barges is closely tied to macroeconomic and political/regulatory factors affecting cargo transport in the countries and regions in which a particular river flows, such as levels of overall industrial output, local demand for goods, governmental policies for importing and exporting goods and international trade patterns. The demand for freight railcars is closely tied to the underlying factors affecting demand for rail transport. Rail transport depends on developments in global and regional trade. Therefore, levels of freight railcar leasing are subject to variation based on a host of macroeconomic factors such as industrial output and consumer demand.

Our Modular Buildings division has been particularly impacted by economic cyclicality in Europe. Demand for our Modular Buildings division products and services is strongly linked to demand for new construction and therefore to investment activity by governmental and other public or quasi-public entities and private businesses. More specifically, and in contrast to our other divisions, our Modular Buildings division is affected primarily by the dynamics of the local end-markets to which we market our products and services. We experienced a decrease in utilization rates, increased pressure on our rental prices and a slow-down in our sales activity, which translated into a decrease in both our leasing and sales of equipment revenues, and consequently our gross operating margin and EBITDA.

We have taken actions to mitigate our exposure to weak demand in these end-markets. For example, in 2013, we closed our Modular Buildings plant in France, transforming it into an agency for our Modular Buildings leasing business covering the Île-de-France region. We are instead focusing on leveraging our existing rental fleet and commercial network in France to take advantage of what we believe will be an upswing in demand if construction levels recover in response to a structural housing deficit in France. In addition, we are focusing our efforts on new markets where we believe demand for modular construction will be strong, including Africa, which we are targeting through our Moroccan plant, which we acquired 2012. We believe that today, following our cost savings and refocus initiatives, our asset base is appropriately sized and well positioned to capture the projected rebound in demand in the modular building business in Europe, such as, anticipated increased demand in Germany linked to an increased need for refugee housing. In 2014, we saw the first signs of a pick-up in the level of activity. For example, our Modular Buildings division leasing revenue in Poland increased during the year ended December 31, 2014.

Utilization rates, rental fleet size and rental prices

We believe that there are three key factors affecting our leasing revenue: the utilization rate of our rental equipment, the number of units in our rental fleet and the prices that we charge our lessees.

Fluctuations in utilization rates have a direct impact on our results of operations in two ways. First, a change in utilization rates has a direct effect on our leasing revenue, with higher rates resulting in higher revenue. Second, utilization rates can have an opposite effect on our operating expenses, as lower utilization rates can lead to higher costs associated with the storage, maintenance and/or refurbishment of unused equipment. We are particularly affected by changes in utilization rate in our Modular Buildings and River Barges divisions, as we engage in little or no syndication of our rental fleets for these two businesses, as well as in our Freight Railcars division, where a majority of our fleet is owned by us. For assets that we have invested in and that we maintain on our balance sheet, we bear all the risks and benefits associated with such ownership, as opposed to syndicated assets, for which increased costs are reflected in reduced distributions to investors.

Our leasing offices calculate the utilization rate of our rental fleet by dividing (i) the number of days per unit that the unit has been on lease for the period by (ii) the number of days on which the unit was available for lease during the period. The rate obtained is then multiplied by the number of available units to determine the average number of units on lease for the period. This number is reported to the division head for consolidation. Each division then adds up the average number of units on lease reported by each office and divides the sum by the total number of units available for lease in the division to obtain the divisional average utilization rate for the period shown below. Utilization rates in our Shipping Containers division exclude shipping containers newly received from a manufacturer before such containers have been leased for the first time. Equipment used for our own account is also excluded from our calculation of utilization rates.

The table below sets forth the approximate number of units in our rental fleet at period end and the approximate average utilization rate for our rental equipment in each of our divisions for the years ended December 31, 2012, 2013 and 2014.

	As of and for the year ended December 31		
	2012	2013	2014
Shipping Containers			
Units under management (at period end, in TEU)	564 866	602 096	627 108
Average utilization rate	96,1 %	93,2 %	90,5 %
Modular Buildings			
Units under management (at period end, in number of units)	49 971	51 368	50 820
Average utilization rate	73,6 %	66,8 %	64,3 %
Freight Railcars			
Units under management (at period end, in number of platforms)	9 119	7 952	7 349
Average utilization rate	82 %	76,1 %	77,9 %
River Barges			
Units under management (at period end, in number of barges)	152	130	121
Average utilization rate	82,2 %	85,6 %	94,5 %

Changes in demand for our rental equipment affect both the utilization rate and the prices that we can charge. Demand for our goods and services is subject to change based on a number of factors, including most notably macroeconomic conditions affecting demand in the end-markets to which our products and services are provided. Other factors affecting the utilization rate of our fleet include:

- the available supply of new and used equipment, its location and the prices that are charged for it;
- the decision of a customer to own its equipment outright rather than to lease it;
- shifting trends and patterns of cargo traffic;
- the availability and terms of equipment financing;
- the lead times required to purchase equipment, which may vary significantly and affect our ability to meet customer demand;
- the amount of equipment purchased by our competitors and the amount that lessees own themselves;
- the decision of a shipping company or logistics company to reposition its unused containers or railcars to higher-demand locations in lieu of leasing containers or railcars to meet demand;
- consolidation of equipment lessees and the resulting reduced demand for leased equipment due to the fact that an increasing concentration of players makes it more economically feasible for those players to purchase their own fleets of equipment; and
- natural disasters that are severe enough to affect local and global economies.

Many of these factors are beyond our control. To a limited degree, we can affect utilization rates through the rightsizing of our fleet of rental equipment or through the adjustment of our rent prices. In addition, for our Shipping Containers division in particular, we can also affect utilization rates through limiting where lessees can redeliver containers at the end of a lease, so that the location of our supply of containers ready for rental matches where they would be most in demand.

Changes in the size of our fleet have an effect on our results of operations, either through increasing our fleet with new purchases or through reducing our fleet by engaging in disposals from time to time. We generally purchase or, in the case of our Modular Buildings division, manufacture, new equipment in the ordinary course of business to replace aging assets. In addition, in our Shipping Containers division, in order to meet expected increases in customer demand, we may purchase up to $25 million of non-replacement non-leased equipment for our rental fleet. Because of the dynamics of the shipping container industry and the relatively short lead times with which customers expect to be able to take delivery of a container once they have signed a lease agreement, we seek to have a supply of new containers available for immediate leasing on demand. Accordingly, we closely monitor the price of equipment in order to opportunistically purchase new assets when prices are low. The price of equipment depends largely on the price of steel, which is the major component used in its manufacture. In contrast with the Shipping Containers division, we generally do not purchase or in the case of our Modular Buildings division, manufacture, non-replacement new equipment for use in our Modular Buildings, Freight Railcar and River Barges divisions unless we have signed a lease agreement with a customer or, in the Modular Buildings division, a purchase agreement, as the case may be.

We effect two types of disposals: non-syndication-related disposals and syndication-related disposals. From time to time, based on market conditions and our liquidity needs, we sell off our rental equipment to third parties with whom we do not establish an asset management relationship, either through the sale of equipment that is off-lease or through a sale to a customer after it has exercised a purchase option at the end of a finance lease. The assets that make up our rental fleet are long-lived, and generally retain a significant portion of their value on the second-hand market. When we dispose of an asset, we recognize the sales amount in sales revenue, which may have a one-off effect of boosting our revenue for the period in which the sale was made. However, in subsequent periods, we will not derive revenue from an asset that has been sold off, thereby resulting in reduced revenue and cash flows. In general, because we sell our equipment opportunistically, the levels of our sales may vary significantly from one period to another, resulting in variation in our sales revenue and therefore total revenue. Syndication-related disposals, on the other hand, are the sales that we recognize when we syndicate our equipment to third-party investors. Although we recognize a sale and the equipment is off our balance sheet upon syndication, we continue to realize recurring revenue streams tied to that asset throughout the life of the asset management agreement that we enter into with our third-party investors upon syndication.

In addition, our revenues, operating margins and EBITDA are dependent on the age of equipment we sell in syndication and through non-syndication related disposals. The apportionment of our sales as between older and younger equipment tends to be a function of market prices, demand from our investors and availability of equipment. We recorded exceptionally high sales margins in our Shipping Containers division in the year ended December 31, 2012 and the year ended December 31, 2013 as we engaged in more second-hand sales and syndications of used containers during these periods. However, in the year ended December 31, 2014, we recorded an increased level of cost of sales, translating into reduced EBITDA, owing to the fact that we sold significantly more new equipment and less used equipment than in the two preceding years. In light of the foregoing, we will continue to purchase new equipment in our Shipping Containers division to replace previously sold equipment as part of our strategy, and we expect operating margins and EBITDA to increase going forward.

Finally, the rental prices that we charge also have a direct impact on our results of operations, as our rates affect our leasing revenue. The prices that we charge our lessees for rental equipment are directly correlated with the price at which we purchase the equipment in order to optimize return on our investment. As many of our leases are long-term leases, we are able to contractually lock in rates despite fluctuations in market price for new equipment. However, if there is a sustained reduction in the purchase price of new equipment such that the market lease rate or resale value for all existing equipment is reduced, we may have difficulty re-leasing equipment at a profitable price, even if such a sustained reduction in price would allow us to purchase new equipment at a lower cost. Per diem leasing rates in the shipping container leasing industry have generally followed a downward trend in past years, linked primarily to a decline in steel prices and a resulting decline in the purchase price of new shipping containers. We cannot predict whether this trend will continue in the near-term.

- **Owning our rental fleet and syndication**

A significant portion of our activity comprises the leasing of standardized mobile equipment. We finance the growth of our fleet of rental equipment in two principal ways: through purchasing equipment using debt and/or equity on our balance sheet and holding it for our own account or through syndication to third-party investors. Whether we own our rental equipment or manage it on behalf of a third-party has an effect on our profit margins, as well as on the accounting treatment of our revenue.

The total gross book value of our rental fleet was approximately €1,708.8 million as of December 31, 2014, an increase of approximately €121.2 million from December 31, 2013. We owned 41.5% of our total rental fleet and the remaining 58.5% is owned by third-party investors. The table below provides a breakdown in the gross book value of our assets under management for our own account and those that we manage on behalf of third-party investors as of December 31, 2012, 2013 and 2014.

(€ thousands)	As of December 31,					
	2012		2013		2014	
	Owned by the Group	owned by third party investors	Owned by the Group	owned by third party investors	Owned by the Group	owned by third party investors
Shipping Containers	76 301	642 497	79 296	657 718	60 061	829 081
Modular Buildings	318 930	32 181	331 195	32 181	324 912	31 688
Freight Railcars	233 675	171 932	247 482	141 542	244 748	123 307
River Barges (1)	81 034	24 215	78 967	19 215	78 778	16 215
TOTAL	**709 940**	**870 825**	**736 939**	**850 656**	**708 497**	**1 000 290**

(1) River barges that we use under operational leases are reported as owned by third-party investors. We do not engage in asset management in our River Barges division.

When we manage our own equipment, we purchase such equipment (in the case of all of the equipment comprising our rental fleet for our Shipping Containers, River Barges and Freight Railcars divisions and a non-material portion of our Modular Buildings division's rental fleet) or manufacture the equipment (in the case of the majority of our Modular Buildings division's rental fleet), and then lease and manage it (including conducting maintenance and repairs) throughout the economically useful life of such equipment. At the end of the equipment's life-cycle, or when we believe it is financially attractive for us to do so, taking into account the location, sale price, cost of repair and possible repositioning expenses, we either sell the equipment on the second-hand market or destroy it.

In our Shipping Container and Freight Railcar divisions principally, we seek to syndicate portions of our fleet from time to time to third-party investors who purchase the equipment directly from us. We typically finance the purchase of equipment to be syndicated with funds drawn under one of our warehouse revolving credit facilities and then sell such equipment to investors such as private wealth managers, financial companies or other investment companies that want to diversify their investments with recurring yields from real and tangible underlying assets with a long service life. Such investors enter into a management agreement at the time of their purchase, pursuant to which we undertake to carry out our leasing activity with the investors' equipment and in return distribute revenue earned from rentals of such equipment to the investor, less a management fee. We manage equipment through pools of assets, which are comprised of a mix of syndicated assets and our owned assets. In managing equipment in this way, we are able to ensure equality of treatment between the two portions of our rental fleet and show investors that our interests are aligned.

We earn revenue on our syndicated fleet in several ways. First, we earn a syndication fee at the time an investor purchases the equipment, which can range from 2% to 5% of the book value of the equipment being syndicated. During the leasing life of the equipment, we receive management fees of typically 5% to 10% of gross rental revenue. We receive incentive fees throughout the life of the contract upon the achievement of targeted return on investment milestones. Upon an investor's divestment, we repackage the portfolio for syndication to a new investor, sell the underlying assets on the second-hand market or repurchase the portfolio for our own benefit. If we sell the assets at the investor's request, we typically earn a sales fee of between 5% and 15% of the sale price.

The accounting treatment of the revenue streams related to our activities is as follows:

- We record revenues from leased equipment (both our owned and syndicated equipment) in leasing revenue, as we act as a principal with regard to the leasing contracts of our fleet and not as the agent of our investors. Similarly, operating expenses that we incur correspond to all of the equipment that we manage, regardless of whether we own it or have syndicated it;
- Our third-party management profit margin is included in leasing revenues from managed equipment, less associated operating expenses and less revenues distributed to investors. The third-party management margin is equivalent to our management fee;
- Syndication fees are recorded in sales profits (sales revenue less cost of sales);
- Trade margins (sales excluding syndication) are also recognized as sales revenue less cost of sales; and
- Capital gains on the residual values of our assets are recognized as sales margins.

We continually seek out opportunities to syndicate our rental equipment. Syndication is a means for us to grow our fleet of managed assets without increasing our leverage or our gearing. As a result, we vary the proportion of our owned assets to syndicated assets based on these metrics. When we maintain equipment on our balance sheet, we bear most of the risks associated therewith (such as the risk of non-utilization and therefore a lower return on our investment than anticipated), but are also able to benefit from the entirety of the profit that can be derived from the equipment, as opposed to when we syndicate, as we are contractually required to distribute a significant portion of such profit to our investors. As a result, we typically recognize lower EBITDA and margins from syndicated equipment that we manage rather than that which we generate from our owned fleet. We believe that syndication opportunities will continue to be available to us going forward, principally as a result of our track record in successfully managing rental equipment for third-party investors and the know-how of our asset management specialists.

We finance our equipment purchases through different means based on various factors, including whether we intend to hold equipment on our balance sheet or syndicate it to a third-party investor and whether we have signed a rental contract for the equipment. Based on our analysis and our liquidity needs, we use a combination of cash on hand and temporary drawings under our revolving credit lines, bilateral asset-based acquisition lines, finance leases (the terms of which we typically align with the relevant finance leases with our customers in order to minimize our credit risk) or drawings under our Warehouse Facilities in order to finance our equipment at any given time.

- **Operational performance**

Our results of operations are significantly impacted by our operational performance. We believe our diversified business model allows us to generate recurring revenue and operating margins thanks to the quality of our standardized, flexible and liquid asset base. Our day-to-day recurring leasing and sales operations are further enhanced by our dynamic management of our equipment allowing us to generate additional revenue through syndication and opportunistic sales of second-hand equipment.

We believe our overall performance has been consistent over the period under review, except in our Modular Buildings division. During this period, our Modular Buildings division has been primarily affected by a significant deterioration in the modular building market following the economic downturn and general slowdown in new construction in Europe.

Variation in our Shipping Containers division revenue over the period under review is mainly due to strong activity in syndication and second-hand sales, which translated in exceptionally high sales margin generation as a result of higher sales of used containers than new containers. During the year ended December 31, 2014, we realized lower margins as we engaged in fewer second-hand sales and syndications of used containers over the period.

Variation in our Freight Railcars and River Barges divisions performance is principally driven by variation in our fleet size due to syndication and opportunistic second-hand sales. Leasing activity remained overall stable and benefited from strong utilization rates.

- **Fluctuations in exchange rates**

We conduct our business internationally and, as a result, are exposed to various currency risks and exposures. Although our reporting currency is the Euro, the functional currency of each of our subsidiaries is generally the local currency. Nevertheless, as a matter of international business practice, sales of shipping containers and rental prices charged for shipping containers are denominated exclusively in U.S. dollars. As a consequence, the results of our Shipping Containers division can be particularly affected by changes in the exchange rate between the Euro and the U.S. dollar. Similarly, our River Barges division can also be particularly affected by changes in the Euro-U.S. dollar exchange rate, as the rental prices we charge for our River Barge leases in North and South America are denominated in U.S. dollars. Based on our results for the year ended December 31, 2014, we estimate that a 10% decrease in the exchange rate of the U.S. dollar against the Euro would result in a 17.8% drop in our current operating income.

For additional information on the sensitivity of our revenue to fluctuations in exchange rates, see note 26.5 to each of our consolidated financial statements as of and for the years ended December 31, 2012, 2013 and 2014, respectively, included elsewhere in this Offering Memorandum.

Translation Risk

Translation risk is the risk that the value of our revenue, costs, assets and liabilities reported in foreign currencies and translated into Euro for the preparation of our consolidated income statement and balance sheet will fluctuate due to changes in foreign exchange rates. For instance, the weakening of the Euro against the U.S. dollar will result in an increase in our revenue and costs as reported in Euro. As a significant number of our subsidiaries operate in markets other than the Eurozone, and our Shipping Container division operates exclusively in U.S. dollars, these effects may be significant.

Transaction Risk

Historically, our business has benefitted from a natural hedge against a substantial portion of our transaction foreign exchange risk, as we typically generate both income and expenses in the same currency, and we finance our assets in the same currency as the revenues that such assets generate. There are some key exceptions to this rule, including the fact that (i) certain costs related to our Shipping Container division are incurred in Euro, Singaporean dollars or Hong Kong dollars while our revenues are exclusively in U.S. dollars and (ii) our Modular Buildings division sales are mostly denominated in Euro while our manufacturing sites use the Czech crown and Moroccan dirham, respectively, as their main operating currency.

Our greatest exposure arises when we cross currencies in the ordinary course of our cash pooling management. To avoid any major exchange rate risks, we engage from time to time in hedging transactions to minimize our transactional currency risk. We typically use forward sales or purchase contracts or standard “plain vanilla” options. As of December 31, 2014, our net hedging positions amounted to €45.5 million.

- **Acquisitions, disposals and joint ventures**

We have engaged in strategic acquisitions from time to time in order to gain access to new markets or to increase market share in our existing markets. Notably, in July 2012, we acquired SACMI, a Moroccan leader in the modular buildings sector. This acquisition was a part of our strategy to expand our Modular Buildings division’s international presence outside of Europe. Through our Moroccan production facility, we sell modular buildings to customers throughout Africa.

Further, in February 2012, our wholly owned subsidiary, TOUAX Rail Limited (“TRL”), increased its stake in SRF Railcar Leasing Ltd. (“SRFRL”), a company we formed as a joint venture in April 2009 as a vehicle for investing in freight railcars. TRL’s stake in SRFRL increased from 25.8% of SRFRL’s capital and voting rights to 51%. Prior to the acquisition of this control share, we accounted for SRFRL using the equity method. As a result of the acquisition of control of SRFRL, we have fully consolidated it in our financial statements since January 1, 2012.

In addition, we are, and have from time to time been, party to joint ventures related to our Modular Buildings and Freight Railcars divisions. Notably, in 1998 our subsidiary TOUAX Corporation entered into a joint venture, CFCL-TOUAX LLC (“CFCL-TOUAX”), with Chicago Freight Car Leasing Co. (“CFCL”) in order to expand our presence in the railcar leasing market in the United States. TOUAX Corporation subsequently transferred its interest in CFCL-TOUAX to our subsidiary TRL. TRL holds 51% of the interests in CFCL-TOUAX, and as such CFCL-TOUAX is fully consolidated in our consolidated financial statements. On June 27, 2014, TRL and CFCL entered into an agreement to wind up CFCL-TOUAX. Pursuant to the agreement, CFCL-TOUAX agreed, among other things, to sell its fleet of railcars to CFCL.

We consistently assess the strategic viability and liquidity needs of our divisions and may, from time to time, pursue the sale of minority stakes in our divisions as a means of accessing liquidity.

- **Debt and financial structure**

We have a levered capital structure due to the capital intensive nature of our operations and our future results of operations, and in particular our net financial expense, will be affected by the amount of our indebtedness, including the interest we pay thereon. As of December 31, 2014, on an as adjusted basis giving effect to the Refinancing, we would have had total financial debt of €415.9 million, with an additional €120.6 million of total availability under the New Revolving Credit Facility and our other revolving lines of credit, including the Warehouse Facilities. The servicing of this indebtedness will affect, among other things, our cash flows and our cash balance and in turn the cash available to us to operate our business after servicing our debt.

Description of Key Income Statement Line Items

Below is a brief description of the composition of the key line items of our income statement data.

Total **revenue** consists of leasing revenue and sales of equipment.

Leasing revenue includes mainly rents received from operating leases on equipment managed by us, either on our own behalf or on behalf of third-party investors, as well as payments received from additional services billed in connection with leases, such as repairs, transport and, in our Modular Buildings division, assembly and disassembly of modular buildings. Leasing revenue also includes payments received by our River Barges division from our transport, chartering and storage businesses in the river barges industry. Interest income on finance leases to customers is also recorded under leasing revenue.

Sales of equipment corresponds to revenue generated by (i) sales of new equipment in connection with our trading activity (purchase of new equipment for resale), (ii) sales of equipment we manufacture in connection with our Modular Buildings division (production of new equipment for sale), (iii) sales of equipment through syndications to third-party investors in connection with our asset management activity in the Shipping Containers and Freight Railcars divisions (in which we first purchase the asset before re-selling it to third-party investors while keeping the asset under management) and (iv) sales of second-hand equipment that we either own on our balance sheet or that we manage on behalf of third-party investors in connection with our asset management activity. With respect to all of these transactions, the entire amount of the sale price of the asset is recorded under sales of equipment, as well as the price of certain associated services, such as transportation or assembly. Sales of equipment also include assignments of finance lease receivables, as well as certain commissions billed to our clients in connection with our activity. In accordance with IFRS, revenue generated by disposals of assets other than shipping containers, modular buildings, river barges and freight railcars is not recorded under sales of equipment but under capital gain (loss) on disposals.

Cost of sales includes all costs related to sales and associated costs. Cost of sales includes in particular (i) the purchase price of new equipment bought for resale in connection with our trading activity, (ii) the purchase price of new equipment bought for syndication of equipment to third-party investors in connection with our asset management activity in the Shipping Containers and Freight Railcars divisions, (iii) the production costs of equipment we produce to sell to third parties in connection with our modular buildings activity (including raw material costs and production staff costs) and (iv) the net book value of equipment that we sell and that was on our balance sheet as tangible assets or as inventory at the time of sale.

Operating expenses corresponds to costs incurred in connection with our leasing activity. Operating expenses includes maintenance and repair costs, assembly and disassembly costs, transportation costs, freight costs and storage costs, as well as other costs incurred in connection with the leasing of equipment. Operating expenses also includes the staff costs related to our agencies and operating teams, such as the logistical and technical teams in our Freight Railcars division and the branch teams of our Modular Buildings division. Further, operating expenses includes operating provisions for doubtful customer receivables. Finally, we recognize the corporate value added tax for French entities (Cotisation sur la valeur ajoutée des entreprises, or “CVAE”) as an operating expense.

Selling, general and administrative expenses includes costs relating to our sales force, including salaries, commissions and benefits. Selling, general and administrative expenses also includes general operating expenses, such as headquarters staff costs, including those of our administrative personnel, as well as other administrative and IT costs, real estate rents, advisory fees and other support staff costs.

Depreciation, amortization and impairments corresponds mainly to straight-line depreciation of assets owned by our Group and depreciation of equipment owned by our Group financed through finance leases, as well as impairments (excluding goodwill impairment).

Net distribution to third-party investors corresponds to leasing revenue generated from equipment that we manage on behalf of third-party investors, less management fees and other operating expenses incurred in connection with the management of such equipment, that are distributed to third-party investors according to the distribution rules of our management programs. Distributions can vary due to a number of reasons, including reduced rental revenue or increased costs associated with the third party-owned rental fleet.

Other revenue (expenses), net includes non-current operating revenue and expenses, such as goodwill impairment, acquisition costs of equity investments, variations of the fair market value of purchase price of equity investments and restructuring costs.

Net financial expense mainly includes interest payable on financial debt, less financial income from interest income.

Corporation tax consists of taxes currently payable by our Group and deferred tax arising from tax losses and temporary discrepancies between consolidated income shown in our financial statements and income established for tax purposes.

Results of Operations

The table below sets forth certain line items from our income statement for the years ended December 31, 2014, 2013 and 2012.

(€ thousands)	Year ended December 31,		
	2012	**2013**	**2014**
Leasing revenue	219 034	206 104	206 189
Sales of equipment	138 952	143 158	172 501
Total revenue	**357 986**	**349 262**	**378 691**
Capital gain (loss) on disposals	-22	-13	172
Income from ordinary activities	**357 964**	**349 249**	**378 863**
Cost of sales	(122 917)	(127 835)	(157 363)
Operating expenses	(91 493)	(91 193)	(97 859)
Selling, general and administrative expenses	(25 288)	(27 734)	(28 693)
Gross operating margin (EBITDAR)	**118 266**	**102 487**	**94 948**
Depreciation, amortization and impairments	(32 157)	(37 949)	(36 013)
Operating income before distribution to investors	**86 109**	**64 538**	**58 935**
Net distribution to investors	(56 490)	(51 626)	(54 946)
Current operating income	**29 619**	**12 912**	**3 989**
Other revenues (expenses), net	-577	(5 563)	134
Operating income	**29 042**	**7 349**	**4 123**
Interest income	101	207	205
Interest expense	(17 594)	(19 830)	(17 509)
Net interest expense	**(17 493)**	**(19 623)**	**(17 304)**
Other financial income (expenses), net	-74	-677	-421
Net financial expense	**(17 567)**	**(20 300)**	**(17 725)**
Profit before tax	**11 475**	**(12 951)**	**(13 602)**
Income tax benefit (expense)	(2 749)	(1 928)	423
Consolidated net income (loss)	**8 726**	**(14 879)**	**(13 179)**
Minority interest	420	-424	283
Consolidated net income (loss) (group's share)	**9 146**	**(15 303)**	**(12 896)**

Year Ended December 31, 2014 Compared with Year Ended December 31, 2013

Revenue

The table below sets forth key breakdowns of our revenue for the years ended December 31, 2014 and 2013.

Total revenue	Year ended December 31, 2013	Contribution	Year ended December 31, 2014	Contribution	*Variation*
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	***(in %)***
Leasing revenue	206 104	59 %	206 189	54 %	*n.a.*
Sales of equipment	143 158	41 %	172 502	46 %	*20,5 %*
TOTAL REVENUE	**349 262**	**100 %**	**378 691**	**100 %**	***8,4 %***

Revenue by division	Year ended December 31, 2013	Contribution	Year ended December 31, 2014	Contribution	*Variation*
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	***(in %)***
Shipping Containers	**188 444**	**54 %**	**215 868**	**57 %**	***14,6 %***
Leasing revenue	87 798	25 %	90 379	24 %	*3,0 %*
Sales of equipment	100 645	29 %	125 489	33 %	*24,7 %*
Modular Buildings	**102 976**	**29 %**	**94 116**	**25 %**	***(8,6) %***
Leasing revenue	70 251	20 %	66 344	18 %	*(5,6) %*
Sales of equipment	32 725	9 %	27 773	7 %	*(15,1) %*
Freight Railcars	**34 984**	**10 %**	**47 061**	**12 %**	***34,5 %***
Leasing revenue	34 074	10 %	34 250	9 %	*0,5 %*
Sales of equipment	910	0 %	12 810	3 %	*n.a.*
River Barges	**23 797**	**7 %**	**21 794**	**6 %**	***(8,4) %***
Leasing revenue	14 919	4 %	15 364	4 %	*3,0 %*
Sales of equipment	8 878	3 %	6 430	2 %	*(27,6) %*
Other	**-938**	**0 %**	**-148**	**0 %**	***(84,2) %***
TOTAL REVENUE	**349 262**	**100 %**	**378 691**	**100 %**	***8,4 %***

Total revenue

Total revenue increased by €29.4 million, or 8.4%, from €349.3 million for the year ended December 31, 2013 to €378.7 million for the year ended December 31, 2014, attributable mainly to an increase in the sale of equipment.

Leasing revenue remained relatively stable, with a slight increase of €0.1 million, from €206.1 million for the year ended December 31, 2013 to €206.2 million for the year ended December 31, 2014. This stability was mainly attributable to increased leasing revenue in our Shipping Containers division due to the growth of our fleet of containers during the year ended December 31, 2014, while our Freight Railcars and River Barges revenue remained largely flat. Lower leasing revenue in our Modular Buildings division was partially offset by the increase in our Shipping Containers division leasing revenue and stability in our divisions.

Sales of equipment increased by €29.3 million, or 20.5%, from €143.2 million in the year ended December 31, 2013 to €172.5 million in the year ended December 31, 2014. This increase was mainly attributable to an increase in sales in our Shipping Containers and Freight Railcars divisions, which was partially offset by a decrease in sales of equipment of our Modular Buildings and River Barges divisions.

Revenue of the Shipping Containers Division

Revenue generated by our Shipping Containers division increased by €27.4 million, or 14.6%, from €188.4 million in the year ended December 31, 2013 to €215.9 million in the year ended December 31, 2014, mainly attributable to an increase of €24.8 million in sales of equipment during the period. At a constant Euro-U.S. dollar exchange rate, revenue generated by our Shipping Containers division would have increased by 15.1%.

Leasing revenue generated by our Shipping Containers division increased by €2.6 million, or 3.0%, from €87.8 million in the year ended December 31, 2013 to €90.4 million in the year ended December 31, 2014. At a constant Euro-U.S. dollar exchange rate, leasing revenue for our Shipping Containers division would have increased by 3.0%. The increase in leasing revenue was primarily attributable to growth in the size of our rental fleet and was partially offset by a decrease in the average utilization rate from 93.2% for the year ended December 31, 2013 to 90.5% for the year ended December 31, 2014 and lower average per diem rental rates.

Sales of equipment in our Shipping Containers division increased by €24.8 million, or 24.7%, from €100.6 million in the year ended December 31, 2013 to €125.5 million in the year ended December 31, 2014, attributable mainly to an increase in the sale of portfolios of containers to investors in the year ended December 31, 2014, as compared to the year ended December 31, 2013.

Revenue of the Modular Buildings division

Revenue generated by our Modular Buildings division decreased by €8.9 million, or 8.6%, from €103.0 million in the year ended December 31, 2013 to €94.1 million in the year ended December 31, 2014. This decrease was attributable to a decrease in both leasing revenue and sale of equipment due to weak construction market and overall economic conditions.

Leasing revenue generated by our Modular Buildings division decreased by €3.9 million, or 5.6%, from €70.3 million in the year ended December 31, 2013 to €66.3 million in the year ended December 31, 2014. This decrease was primarily attributable to a decline in leasing revenue in Germany and France. In Germany, the leasing revenue decrease was mainly due to the expiration of certain large contracts in the energy sector, while in France, the decrease in leasing revenue was the result of general economic conditions and the weakness of the construction market in particular. In addition, leasing revenue suffered from a decline in the average utilization rate for the division, which decreased from 66.8% for the year ended December 31, 2013 to 64.3% for the year ended December 31, 2014, and a drop in average per diem lease prices. Partially offsetting the decrease in leasing revenue for the year ended December 31, 2014 was an increase in leasing revenue in Poland, which we believe is a sign that European market conditions will improve in the near term.

Sales of equipment in our Modular Buildings division decreased by €5.0 million, or 15.1%, from €32.7 million in the year ended December 31, 2013 to €27.8 million in the year ended December 31, 2014. This decrease was attributable mainly to a decrease in sales revenue generated by our French and Moroccan subsidiaries, which was partially offset by an increase in revenue of our subsidiaries in Poland, Belgium and the Netherlands, and by the creation of a new subsidiary in Brazil, which generated revenue of €0.5 million in the year ended December 31, 2014. The decrease in revenue in France was due to weak market conditions, while the decrease in revenue in Morocco was mainly the result of lower than expected domestic sales of equipment and sales of equipment for export.

Revenue of the Freight Railcars division

Revenue generated by our Freight Railcars division increased by €12.1 million, or 34.5%, from €35.0 million in the year ended December 31, 2013 to €47.1 million in the year ended December 31, 2014, attributable mainly to an increase in sales of equipment in the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Leasing revenue generated by our Freight Railcars division remained relatively stable, with a slight increase by €0.2 million, or 0.5%, from €34.1 million in the year ended December 31, 2013 to €34.3 million in the year ended December 31, 2014. This slight increase in leasing revenue was mainly due to an increase in the average utilization rate, from 76.1% in the year ended December 31, 2013 to 77.9% in the year ended December 31, 2014, the first such increase since 2009. The increase in revenue was partially offset by lower leasing rates for the year ended December 31, 2014 as compared with the year ended December 31, 2013, as well as the effect of prior sales of equipment during prior years, notably in connection with the winding-down of our joint venture with CFCL, which impacted the size of the rental fleet and thus the leasing revenue able to be generated therefrom.

Sales of equipment in our Freight Railcars division increased by €11.9 million, from €0.9 million in the year ended December 31, 2013 to €12.8 million in the year ended December 31, 2014. The increase is primarily attributable to the sale of our owned fleet in North America as a part of the winding-down of our joint venture with CFCL.

- **Revenue of the River Barges division**

Revenue generated by our River Barges division decreased by €2.0 million, or 8.4%, from €23.8 million in the year ended December 31, 2013 to €21.8 million in the year ended December 31, 2014, attributable mainly to a decrease in sales of equipment revenue, while our leasing revenue remained relatively stable.

Leasing revenue generated by our River Barges division increased by €0.4 million, or 3.0%, from €14.9 million in the year ended December 31, 2013 to €15.4 million in the year ended December 31, 2014. This increase was the result of an increase in leasing revenue in France and the Netherlands, which was partially offset by a decrease of leasing revenue due to the sale of ten barges in North America.

Sales of equipment in our River Barges division decreased by €2.4 million, or 27.6%, from €8.9 million in the year ended December 31, 2013 to €6.4 million in the year ended December 31, 2014. This decrease in sales of equipment reflected the decrease in our opportunistic sales of river barges, particularly in North America, France and Romania, where we disposed of 20, six and six barges, respectively, in the year end December 31, 2013, as compared to 10, four and no barges, respectively, for the year ended December 31, 2014.

Cost of sales

The table below sets forth breakdowns of our cost of sales by division for the years ended December 31, 2014 and 2013.

Cost of sales by division	Year ended December 31, 2013	As a percentage of divisional sales of equipment	Year ended December 31, 2014	As a percentage of divisional sales of equipment	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	***(in %)***
Shipping Containers					
Cost of sales	(90 051)	89,5 %	(121 111)	96,5 %	*34,5 %*
Modular Buildings					
Cost of sales	(30 212)	92,3 %	(23 048)	83,0 %	*(23,7) %*
Freight Railcars					
Cost of sales	-194	21,3 %	(8 439)	65,9 %	*n.a.*
River Barges					
Cost of sales	(7 378)	83,1 %	(4 772)	74,2 %	*(35,3) %*
TOTAL COST OF SALES	**(127 835)**		**(157 363)**		***23,1 %***
TOTAL COST OF SALES AS A % OF SALES OF EQUIPMENT		**89,3 %**		**91,2 %**	

- **Total cost of sales**

Total cost of sales increased by €29.5 million, or 23.1%, from €127.8 million in the year ended December 31, 2013 to €157.4 million in the year ended December 31, 2014.

- **Cost of sales of the Shipping Containers division**

Cost of sales incurred by our Shipping Containers division increased by €31.1 million, or 34.5%, from €90.1 million in the year ended December 31, 2013 to €121.1 million in the year ended December 31, 2014, due primarily to a larger volume of syndications of containers held as fixed assets on our balance sheet at the time of syndication. Our Shipping Container sales margin (which we calculate as cost of sales divided by revenue) for the year ended December 31, 2014 represented a decrease of 6.0% over the year ended December 31, 2013. We generally realize higher margins on the sale of used containers, rather than on the sale of new containers (mainly through syndication). During the year ended December 31, 2014, we realized lower margins due to the change in this mix, as we engaged in fewer second-hand sales and syndications of used containers over the period.

- **Cost of sales of the Modular Buildings division**

Cost of sales incurred by our Modular Buildings division decreased by €7.2 million, or 23.7%, from €30.2 million in the year ended December 31, 2013 to €23.0 million in the year ended December 31, 2014, due primarily to the decrease in sales during that period. The decrease in cost of sales was attributable to lower sales activity during the year ended December 31, 2014, primarily in France. Despite lower sales, our Modular Buildings sales margin increased from €2.5 million for the year ended December 31, 2013 to €4.7 million in the year ended December 31, 2014. This increase was largely attributable to greater selectivity in the contracts we pursue in order to focus on sales that are less complex and are more likely to be profitable and lower costs as a result of the closure of our French plant in 2013.

- **Cost of sales of the Freight Railcars division**

Cost of sales incurred by our Freight Railcars division increased by €8.2 million, from €0.2 million in the year ended December 31, 2013 to €8.4 million in the year ended December 31, 2014. This increase was attributable to the increased volume of opportunistic sales of freight railcars during the year ended December 31, 2014, especially in connection with the winding-down of our joint venture with CFCL.

- **Cost of sales of the River Barges division**

Cost of sales incurred by our River Barges division decreased by €2.6 million, or 35.3%, from €7.4 million in the year ended December 31, 2013 to €4.8 million in the year ended December 31, 2014, due primarily to a decrease in opportunistic sales of equipment, while our sales margin remained relatively stable with a slight increase of €0.1 million.

Operating expenses

The table below sets forth breakdowns of our operating expenses by division for the years ended December 31, 2014 and 2013.

Operating expenses by division	Year ended December 31, 2013	As a percentage of divisional revenue	Year ended December 31, 2014	As a percentage of divisional revenue	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(en %)*
Shipping Containers					
Operating expenses	(25 535)	13,6 %	(28 215)	13,1 %	*10,5 %*
Modular Buildings					
Operating expenses	(45 241)	43,9 %	(49 411)	52,4 %	*9,2 %*
Freight Railcars					
Operating expenses	(13 740)	39,2 %	(13 505)	28,7 %	*(1,7) %*
River Barges					
Operating expenses	(6 554)	27,5 %	(7 187)	33,0 %	*9,7 %*
Corporate/Eliminations					
Operating expenses	-123	n.a.	459	n.a.	
TOTAL OPERATING EXPENSES	**(91 193)**		**(97 859)**		***7,3 %***
TOTAL OPERATING EXPENSES AS % OF TOTAL REVENUE		**26,1 %**		**25,8 %**	

➢ **Total operating expenses**

Operating expenses increased by €6.7 million, or 7.3%, from €91.2 million in the year ended December 31, 2013 to €97.9 million in the year ended December 31, 2014. This increase was primarily attributable to increases in expenses in our Modular Buildings and Shipping Containers divisions, and, to a lesser extent, our River Barges division.

➢ **Operating expenses of the Shipping Containers division**

Operating expenses incurred by our Shipping Containers division increased by €2.7 million, or 10.5%, from €25.5 million in the year ended December 31, 2013 to €28.2 million in the year ended December 31, 2014, mainly attributable to:

- a €2.8 million increase in storage costs due to a decrease in the average utilization rate from 93.2% in the year ended December 31, 2013 to 90.5% in the year ended December 31, 2014;
- a €0.5 million increase in transportation costs mainly due to the costs associated with container repositioning; and
- a €0.3 million increase in fees paid to our agents.

The increase in operating expenses was partially offset by €1.1 million in income arising from net insurance proceeds received during the year ended December 31, 2014.

➢ **Operating expenses of the Modular Buildings division**

Operating expenses incurred by our Modular Buildings division increased by €4.2 million, or 9.2%, from €45.2 million in the year ended December 31, 2013 to €49.4 million in the year ended December 31, 2014, mainly attributable to:

- a €4.4 million increase in repair and maintenance expenses mainly due to reconditioning costs incurred in connection with preparing modules to be rented out, primarily in France, the Netherlands and Poland, and a related €3.1 million increase in personnel expenses (including fees for interim personnel and outsourcing) to handle the increased repair and maintenance; and
- a €0.6 million increase in transportation costs, which were spread over our subsidiaries in France, Germany and Poland.

The increase was offset partially by:

- a €4.2 million increase in other income, from a net expense of €1.4 million during the year ended December 31, 2013 to net income of €2.7 million in the year ended December 31, 2014. This variation is mainly attributable to €2.0 million in compensation received by our Group in resolution of our dispute arising from a faulty modular unit design with a design firm we hired, €0.5 million in compensation received from insurance related to flood damage to certain of our modules incurred at a storage facility in the Czech Republic and €0.4 million in compensation received following the resolution of a dispute with a customer in Germany; and
- a €1.9 million decrease in provisions for doubtful accounts during the year ended December 31, 2014.

➢ **Operating expenses of the Freight Railcars division**

Operating expenses incurred by our Freight Railcars division remained relatively stable with a slight decrease by €0.2 million, or 1.7%, from €13.7 million in the year ended December 31, 2013 to €13.5 million in the year ended December 31, 2014, mainly attributable to the stability in the leasing activity in this division.

➢ **Operating expenses of the River Barges division**

Operating expenses incurred by our River Barges division increased by €0.6 million, or 9.7%, from €6.6 million in the year ended December 31, 2013, to €7.2 million in the year ended December 31, 2014, mainly attributable to a provision for doubtful accounts corresponding to a defaulting customer in the Danube River basin.

Selling, general and administrative expenses

The table below sets forth breakdowns of our selling, general and administrative expenses by division for the years ended December 31, 2014 and 2013.

Selling, general and administrative expenses by division	Year ended December 31, 2013	As a percentage of divisional revenue	Year ended December 31, 2013	As a percentage of divisional revenue	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Shipping Containers					
Selling, general and administrative expenses	(10 018)	5,3 %	(8 763)	4,1 %	*(12,5) %*
Modular Buildings					
Selling, general and administrative expenses	(8 100)	7,9 %	(9 052)	9,6 %	*11,8 %*
Freight Railcars					
Selling, general and administrative expenses	(6 231)	17,8 %	(6 580)	14,0 %	*5,6 %*
River Barges					
Selling, general and administrative expenses	(4 311)	18,1 %	(4 256)	19,5 %	*(1,3) %*
Corporate/Eliminations					
Selling, general and administrative expenses	926	n.a.	-41	n.a.	*(104,4) %*
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**(27 734)**		**(28 693)**		**3,5 %**
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AS A % OF TOTAL REVENUE		**7.9%**		**7.6%**	

- **Total selling, general and administrative expenses**

Selling, general and administrative expenses increased by €1.0 million, or 3.5%, from €27.7 million in the year ended December 31, 2013 to €28.7 million in the year ended December 31, 2014, mainly attributable to the Modular Buildings and the Freight Railcars divisions and partially offset by the Shipping Containers division.

- **Selling, general and administrative expenses of the Shipping Containers division**

Selling, general and administrative expenses incurred by our Shipping Containers division decreased by €1.3 million, or 12.5%, from €10.0 million in the year ended December 31, 2013 to €8.8 million in the year ended December 31, 2014. During the year ended December 31, 2014, we changed the presentation in our financial statements of fees that our subsidiary, TOUAX Corporation, as a holding company, incurs for our other American subsidiaries and charges back to the Group. The method used during the year ended December 31, 2013 impacted the general expenses of the division and were then eliminated in the consolidation of the Group's financial statements. The amount of this impact was €0.9 million, with the same amount impacting the revenue of the division. In addition, a decrease by €0.2 million in personnel expenses further contributed to the decrease in selling, general and administrative expenses.

- **Selling, general and administrative expenses of the Modular Buildings division**

Selling, general and administrative expenses incurred by our Modular Buildings division increased by €1.0 million, or 11.8%, from €8.1 million in the year ended December 31, 2013 to €9.1 million in the year ended December 31, 2014. This increase was mainly due to a €0.3 million increase in personnel costs, a €0.2 million increase in travel costs and a €0.3 million increase in fees paid to advisors.

- **Selling, general and administrative expenses of the Freight Railcars division**

Selling, general and administrative expenses incurred by our Freight Railcars division increased by €0.3 million, or 5.6%, from €6.2 million in the year ended December 31, 2013 to €6.6 million in the year ended December 31, 2014, mainly attributable to an increase by €0.2 million in travel costs and €0.4 million of fees incurred and charged back by TRL, the divisional holding company, which was partially offset by a decrease by €0.3 million in fees paid to advisors.

- **Selling, general and administrative expenses of the River Barges division**

Selling, general and administrative expenses incurred by our River Barges division remained relatively stable during the year ended December 31, 2014 as compared with the year ended December 31, 2013, as a result of an increase of €0.3 million in personnel costs, offset by a decrease of €0.3 million in fees paid to advisors.

Depreciation, amortization and impairments

Depreciation, amortization and impairments decreased by €1.9 million, or 5.0%, from €37.9 million in the year ended December 31, 2013 to €36.0 million in the year ended December 31, 2014. This decrease was primarily attributable to changes in our levels of inventory based on varying levels of investment over prior periods and changes in utilization rates, resulting assets being held on our balance sheet for longer periods and their resulting reclassification as fixed assets rather than inventory. In addition, we recorded an impairment of the inventory of French subsidiaries in our Modular Buildings division of €1.7 million in the year ended December 31, 2014 due to continuing difficult market conditions.

Net distribution to investors

Net distribution to investors increased by €3.3 million, or 6.4%, from €51.6 million in the year ended December 31, 2013 to €54.9 million in the year ended December 31, 2014. This increase was mainly attributable to a €2.8 million increase in net distribution to investors in the Shipping Container division as a result of the growth of the fleet under management and a €0.8 million increase in net distribution to investors in the Freight Railcars division due to an increase of the average utilization rate. This increase was partially offset by a €0.2 million decrease in net distribution to investors in the Modular Buildings division resulting from the weaker performance of our Modular Buildings leasing business during the year ended December 31, 2014.

Other revenues (expenses), net

Other operating expenses decreased by €5.7 million, from €5.6 million in the year ended December 31, 2013 to a gain of €0.1 million in the year ended December 31, 2014. During the year ended December 31, 2013, we incurred goodwill impairment resulting from past acquisitions and restructuring costs associated with our former Modular Buildings factory in France. The other revenue net for the year ended December 31, 2014 reflected the fact that no extraordinary events giving rise to such expenses occurred during the period.

Net financial expense

Net financial expense decreased by €2.6 million, or 12.7%, from an expense of €20.3 million in the year ended December 31, 2013 to an expense of €17.7 million in the year ended December 31, 2014, mainly as a result of a decrease in our financial indebtedness, as well as a decrease in average interest rates over the period.

Corporation tax

Corporation tax decreased by €2.3 million, from an expense of €1.9 million in the year ended December 31, 2013 to net income of €0.4 million in the year ended December 31, 2014, due primarily to the decrease in current operating income before tax of our German and Moroccan subsidiaries in the year ended December 31, 2013.

Year Ended December 31, 2013 Compared with the Year Ended December 31, 2012

Revenue

The table below sets forth key breakdowns of our total revenue for the years ended December 31, 2013 and 2012.

Total revenue	Year ended December 31, 2012	Contribution	Year ended December 31, 2013	Contribution	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Leasing revenue	219 034	61 %	206 104	59 %	*(5,9) %*
Sales of equipment	138 952	39 %	143 158	41 %	*3,0 %*
TOTAL REVENUE	**357 986**	**100 %**	**349 262**	**100 %**	**(2,4) %**

Revenue by division	Year ended December 31, 2012	Contribution	Year ended December 31, 2013	Contribution	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Shipping Containers	**173 702**	**49 %**	**188 444**	**54 %**	***8,5 %***
Leasing revenue	87 344	24 %	87 798	25 %	*0,5 %*
Sales of equipment	86 358	24 %	100 645	29 %	*16,5 %*
Modular Buildings	**116 611**	**33 %**	**102 976**	**29 %**	***(11,7) %***
Leasing revenue	78 885	22 %	70 251	20 %	*(11,0) %*
Sales of equipment	37 726	11 %	32 725	9 %	*(13,3) %*
Freight Railcars	**41 626**	**12 %**	**34 984**	**10 %**	***(16,0) %***
Leasing revenue	37 877	11 %	34 074	10 %	*(10,0) %*
Sales of equipment	3 749	1 %	910	0 %	*n.a.*
River Barges	**25 834**	**7 %**	**23 797**	**7 %**	***(7,9) %***
Leasing revenue	14 715	4 %	14 919	4 %	*1,4 %*
Sales of equipment	11 119	3 %	8 878	3 %	*(20,2) %*
Other	**214**		**-938**		***n.a.***
TOTAL REVENUE	**357 986**	**100 %**	**349 262**	**100 %**	**(2,4) %**

- **Total revenue**

Total revenue decreased by €8.7 million, or 2.4%, from €358.0 million in the year ended December 31, 2012 to €349.3 million in the year ended December 31, 2013, mainly due to the decrease in leasing revenue only partially offset by an increase in revenue generated by sales of equipment.

Leasing revenue decreased by €12.9 million, or 5.9%, from €219.0 million in the year ended December 31, 2012 to €206.1 million in the year ended December 31, 2013. This decrease was mainly due to the weakness of European economic activity over the period, which had a significant impact on leasing revenue for our Modular Buildings division, leading to decreased utilization rates, as well as the downsizing of our railcars fleet under management.

Sales of equipment increased by €4.2 million, or 3.0%, from €139.0 million in the year ended December 31, 2012 to €143.2 million in the year ended December 31, 2013. This increase was mainly attributable to an increase in our opportunistic second-hand sales of shipping containers, partially offset by decreases in sales of equipment in our other three divisions, in particular in our Modular Buildings division.

- **Revenue of the Shipping Containers division**

Revenue generated by our Shipping Containers division increased by €14.7 million, or 8.5%, from €173.7 million in the year ended December 31, 2012 to €188.4 million in the year ended December 31, 2013, mainly due to the increase in sales of equipment, whereas leasing revenue remained stable in part due to a negative impact of the Euro-U.S. dollar exchange rate. At a constant Euro-U.S. dollar exchange rate, revenue generated by our Shipping Containers division would have increased by 11.8%.

Leasing revenue generated by our Shipping Containers division remained relatively stable at €87.8 million for the year ended December 31, 2013. This was the result mainly of the growth of our fleet under management due to opportunistic purchases of containers during the year ended December 31, 2013, which was offset by a slight decrease in prices and a negative impact of the exchange rates between the Euro and the U.S. dollar and a decrease in utilization rates. At a constant Euro-U.S. dollar exchange rate, leasing revenue for our Shipping Containers division would have increased by 2.8%.

Sales of equipment in our Shipping Containers division generated €14.3 million of additional revenue in the year ended December 31, 2013 compared to the year ended December 31, 2012, representing an increase of 16.5%. This increase was mainly attributable to an increase in our opportunistic sales of second-hand containers due to favorable market conditions, particularly during the last quarter of the year ended December 31, 2013. At a constant Euro-U.S. dollar exchange rate, sales of equipment for our Shipping Containers division would have increased by 20.4%.

- **Revenue of the Modular Buildings division**

Revenue generated by our Modular Buildings division decreased by €13.6 million, or 11.7%, from €116.6 million in the year ended December 31, 2012 to €103.0 million in the year ended December 31, 2013, mainly due to weak economic conditions in Europe.

Leasing revenue generated by our Modular Buildings division decreased by €8.6 million, or 10.9%, from €78.9 million in the year ended December 31, 2012 to €70.3 million in the year ended December 31, 2013. This decrease was mainly due to weakness of construction activity throughout our European markets, as well as a decrease in private and public investment activity. Prices per day and utilization rates decreased over the period.

Sales of equipment in our Modular Buildings division decreased by €5.0 million, or 13.3%, from €37.7 million in the year ended December 31, 2012 to €32.7 million in the year ended December 31, 2013. This decrease was mainly attributable to the Group's policy of adjusting its production capacity to market conditions and focusing on less complex contracts, which tend to be more profitable. This policy had a particular impact on our activity in France, which was marked by the closure of our factory in Mignières, France, as well as an overall decrease in production and in the number of sales. This decrease of sales of modular buildings in Europe was partially offset by the full-year effect of the acquisition of our Moroccan factory in July 2012, which, through sales on the African continent, generated €9.1 million, or 27.7% of sales of equipment for the division in the year ended December 31, 2013.

- **Revenue of the Freight Railcars division**

Revenue generated by our Freight Railcars division decreased by €6.6 million, or 16.0%, from €41.6 million in the year ended December 31, 2012 to €35.0 million in the year ended December 31, 2013, attributable to both a decrease in leasing revenue and a decrease in sales of equipment due to overall weak market conditions.

Leasing revenue generated by our Freight Railcars division decreased by €3.8 million, or 10.0%, from €37.9 million in the year ended December 31, 2012 to €34.0 million in the year ended December 31, 2013. This decrease in leasing revenue was mainly due to a decrease in our railcar fleet of approximately 10% attributable to the exercise at the beginning of 2013 of a purchase option by a customer to whom we had provided a finance lease. As we were party to a back-to-back finance lease with a third-party financial institution, we did not recognize sales revenue from such purchase.

Sales of equipment in our Freight Railcars division decreased by €2.8 million, from €3.7 million in the year ended December 31, 2012 to €0.9 million in the year ended December 31, 2013. This decrease resulted principally from the decrease in our trading activity in this division during the year ended December 31, 2013 compared to the prior year. Although we engage in trading activity in our Freight Railcars division from time to time, it does not represent a significant portion of our business, and our sales revenue for the year ended December 31, 2012 represents the one-off effect of the aforementioned opportunistic activity during that year.

- **Revenue of the River Barges division**

Revenue generated by our River Barges division decreased by €2.0 million, or 7.9%, from €25.8 million in the year ended December 31, 2012 to €23.8 million in the year ended December 31, 2013, mainly due to a decrease in sales of equipment, whereas leasing revenue for the division remained stable.

Leasing revenue generated by our River Barges division slightly increased to €14.9 million in the year ended December 31, 2013 from €14.7 million in the prior year. This slight increase was mainly attributable to the entry into service of new barges in South America, which more than offset decreased revenue from our fleet in the United States resulting from our decision to pursue opportunistic sales of our U.S. fleet, as well as difficult market conditions in the Rhine basin.

Sales of equipment in our River Barges division decreased by €2.2 million, or 20.2%, from €11.1 million in the year ended December 31, 2012 to €8.9 million in the year ended December 31, 2013. This resulted from our decision to pursue fewer sales in our River Barges fleet in the year ended December 31, 2013 as compared to the prior year.

Cost of sales

The table below sets forth breakdowns of our cost of sales by division for the years ended December 31, 2013 and 2012.

Cost of sales by division	Year ended December 31, 2012	As a percentage of divisional sales of equipment	Year ended December 31, 2013	As a percentage of divisional sales of equipment	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	***(in %)***
Shipping Containers					
Cost of sales	(80 524)	93,30%	(90 051)	89,5 %	*11,8 %*
Modular Buildings					
Cost of sales	(34 706)	92,00%	(30 212)	92,3 %	*-12,90%*
Freight Railcars					
Cost of sales	(1 637)	43,70%	-194	21,3 %	*-88,10%*
River Barges					
Cost of sales	(6 050)	54,40%	(7 378)	83,1 %	*22,00%*
TOTAL COST OF SALES	**(122 917)**		**(127 835)**		**4%**
TOTAL COST OF SALES AS A % OF SALES OF EQUIPMENT		**88,50%**		**89,3 %**	

- **Total cost of sales**

Total cost of sales increased by €4.9 million, or 4.0%, from €122.9 million in the year ended December 31, 2012 to €127.8 million in the year ended December 31, 2013.

- **Cost of sales of the Shipping Containers division**

Cost of sales incurred by our Shipping Containers division increased by €9.5 million, or 11.8%, from €80.5 million in the year ended December 31, 2012 to €90.1 million in the year ended December 31, 2013. This increase was mainly due to an increase in second-hand sales, as the net book value of tangible assets that we carry on our balance sheet or that we managed on behalf of investors is recorded as cost of sales at the time we sell such tangible assets.

- **Cost of sales of the Modular Buildings division**

Cost of sales incurred by our Modular Buildings division decreased by €4.5 million, or 12.9%, from €34.7 million in the year ended December 31, 2012 to €30.2 million in the year ended December 31, 2013, generally in line with the decrease of sales of equipment. This decrease resulted from the Group's policy of adjusting its production capacity to market conditions and focusing on more profitable sales, in particular in France, which resulted in an overall decrease in production.

- **Cost of sales of the Freight Railcars division**

Cost of sales incurred by our Freight Railcars division decreased by €1.4 million, or 88.1%, from €1.6 million in the year ended December 31, 2012 to €0.2 million in the year ended December 31, 2013, broadly in line with the decrease in sales of equipment in this division over the period.

- **Cost of sales of the River Barges division**

Cost of sales incurred by our River Barges division increased by €1.3 million, or 22.0%, from €6.1 million in the year ended December 31, 2012 to €7.4 million in the year ended December 31, 2013, despite a decrease in sales of equipment for this division over the same period. This increase was due mainly to the fact that the second-hand barges sold during the year ended December 31, 2012 had an older average age, hence a lower net book value, than the barges sold during in the year ended December 31, 2013.

Operating expenses

The table below sets forth breakdowns of our operating expenses by division for the years ended December 31, 2013 and 2012.

Operating expenses by division	Year ended December 31, 2012	As a percentage of divisional revenue	Year ended December 31, 2013	As a percentage of divisional revenue	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Shipping Containers					
Operating expenses	(20 370)	11,70%	(25 535)	13,6 %	*25,40%*
Modular Buildings					
Operating expenses	(43 157)	37,00%	(45 241)	43,9 %	*4,80%*
Freight Railcars					
Operating expenses	(20 616)	49,50%	(13 740)	39,2 %	*-33,40%*
River Barges					
Operating expenses	(8 510)	32,90%	(6 554)	27,5 %	*-23,00%*
Corporate/Eliminations					
Operating expenses	1 160	n.a	-123	n.a	
TOTAL OPERATING EXPENSES	**(91 493)**		**(91 193)**		***-0,30%***
TOTAL OPERATING EXPENSES AS A % OF TOTAL REVENUE		**25,60%**		**26,1 %**	

➢ **Total operating expenses**

Operating expenses remained largely stable over the period, decreasing from €91.5 million in the year ended December 31, 2012 to €91.2 million in the year ended December 31, 2013. This stability was the result of an increase in operating expenses in our Shipping Containers division and an increase in operating expenses for our Modular Buildings division, fully offset by decreases in operating expenses in each of our River Barges and Freight Railcars divisions.

➢ **Operating expenses of the Shipping Containers division**

Operating expenses incurred by our Shipping Containers division increased by €5.2 million, or 25.4%, from €20.4 million in the year ended December 31, 2012 to €25.5 million in the year ended December 31, 2013, mainly attributable to:

- a €2.4 million increase in storage costs due mainly to a decrease in utilization rates in the Shipping Containers division from approximately 96.1% in the year ended December 31, 2012 to 93.2% in the year ended December 31, 2013;
- a €0.8 million increase in repair costs (which are rebilled to our clients); and
- a €1.2 million increase in stock depreciation and in provisions for doubtful client receivables.

➢ **Operating expenses of the Modular Buildings division**

Operating expenses incurred by our Modular Buildings division increased by €2.1 million, or 4.8%, from €43.2 million in the year ended December 31, 2012 to €45.2 million in the year ended December 31, 2013, mainly due to a €1.4 million increase in provisions for doubtful client receivables principally due to difficult market conditions increasing overdue payments.

➢ **Operating expenses of the Freight Railcars division**

Operating expenses incurred by our Freight Railcars division decreased by €6.9 million, or 33.4%, from €20.6 million in the year ended December 31, 2012 to €13.7 million in the year ended December 31, 2013, mainly attributable to:

- a €2.2 million decrease in maintenance and repair costs partially due to the decrease in utilization rate;
- €1.0 million in capitalization of maintenance costs for the year ended December 31, 2013, which had been incurred as operating expenses in the prior year due to a change in accounting policy; and
- €1.7 million of staff costs reclassified for the year ended December 31, 2013 under selling, general and administrative expenses whereas these costs had been booked under operating expenses in the prior year.

➢ **Operating expenses of the River Barges division**

Operating expenses incurred by our River Barges division decreased by €2.0 million, or 23.0%, from €8.5 million in the year ended December 31, 2012 to €6.6 million in the year ended December 31, 2013, mainly attributable to:

- the discontinuation of our transport activity which mechanically resulted in a decrease in operating expenses; and
- a decrease in provisions for doubtful client receivables due to a provision of €1.3 million recorded for the year ended December 31, 2012, partially offset by a €0.5 million provision recorded in the year ended December 31, 2013 in respect of a litigation concerning barges that were damaged during their transport to us from the manufacturer.

Selling, general and administrative expenses

The table below sets forth breakdowns of our selling, general and administrative expenses by division for the years ended December 31, 2013 and 2012.

Selling, general and administrative expenses by division	Year ended December 31, 2012	As a percentage of divisional revenue	Year ended December 31, 2013	As a percentage of divisional revenue	Variation
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Shipping Containers					
Selling, general and administrative expenses	(8 383)	4,80%	(10 018)	5,3 %	*19,50%*
Modular Buildings					
Selling, general and administrative expenses	(7 360)	6,30%	(8 100)	7,9 %	*10,10%*
Freight Railcars					
Selling, general and administrative expenses	(4 349)	10,40%	(6 231)	17,8 %	*43,30%*
River Barges					
Selling, general and administrative expenses	(4 055)	15,70%	(4 311)	18,1 %	*6,30%*
Corporate/Eliminations					
Selling, general and administrative expenses	(1 141)	n.a.	926	n.a.	*n.a.*
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**(25 288)**		**(27 734)**		***9,70%***
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AS A % OF TOTAL REVENUE		**7,10%**		**7,9 %**	

➢ **Total selling, general and administrative expenses**

Selling, general and administrative expenses increased by €2.4 million, or 9.7%, from €25.3 million in the year ended December 31, 2012 to €27.7 million in the year ended

December 31, 2013, mainly due to the reclassification of staff costs from our Freight Railcars division.

- **Selling, general and administrative expenses of the Shipping Containers division**

Selling, general and administrative expenses incurred by our Shipping Containers division increased by €1.6 million, or 19.5%, from €8.4 million in the year ended December 31, 2012 to €10.0 million in the year ended December 31, 2013, mainly due to the growth of our operations in this division.

- **Selling, general and administrative expenses of the Modular Buildings division**

Selling, general and administrative expenses incurred by our Modular Buildings division increased by €0.7 million, or 10.1%, from €7.4 million in the year ended December 31, 2012 to €8.1 million in the year ended December 31, 2013, mainly due to the full-year impact in 2013 of the entry into our consolidation scope of our Moroccan subsidiary acquired in July 2012.

- **Selling, general and administrative expenses of the Freight Railcars division**

Selling, general and administrative expenses incurred by our Freight Railcars division increased by €1.9 million, or 43.3%, from €4.3 million in the year ended December 31, 2012 to €6.2 million in the year ended December 31, 2013, mainly attributable to the reclassification for €1.7 million of certain staff costs previously booked under operating expenses.

- **Selling, general and administrative expenses of the River Barges division**

Selling, general and administrative expenses incurred by our River Barges division increased by €0.3 million, or 6.3%, from €4.1 million in the year ended December 31, 2012 to €4.3 million in the year ended December 31, 2013. This increase was due to an increase in fees paid to third-party service providers such as legal advisors, which was partially offset by a decrease in staff costs.

Depreciation, amortization and impairments

Depreciation, amortization and impairments increased by €5.8 million, or 18.0%, from €32.2 million in the year ended December 31, 2012 to €37.9 million in the year ended December 31, 2013. This increase was mainly attributable to a €3.9 million impairment charge on our Modular Buildings division due to difficult market conditions, in particular in France. The remainder of the increase is due to the overall increase in the size of our owned fleet, which mechanically increases amortization of assets.

Net distribution to investors

Net distribution to investors decreased by €4.9 million, or 8.6%, from €56.5 million in the year ended December 31, 2012 to €51.6 million in the year ended December 31, 2013. Net distribution to investors relates mainly to our Shipping Containers division (representing €52.2 million in the year ended December 31, 2012 and €48.6 million in the year ended December 31, 2013). Over the period under consideration, the decrease in net distribution to investors in our Shipping Containers division resulted from the decrease in leasing activity as well as the impact of the Euro-U.S. dollar exchange rate.

Other revenues (expenses), net

Other revenues (expenses), net increased by €5.0 million, from €0.6 million in the year ended December 31, 2012, to €5.6 million in the year ended December 31, 2013.

Other revenues (expenses), net for the year ended December 31, 2013 were mainly composed of:

- a €3.9 million goodwill impairment related to the acquisition of our modular buildings factory in the Czech Republic due to the weakness of the modular buildings activity in Europe over the period;
- a €0.3 million goodwill impairment of our subsidiary Eurobulk B.V., which is part of our River Barges division; and
- a €1.5 million restructuring charge related to the closure of our modular buildings assembly unit located in Mignières, France.

Net financial expense

Net financial expense increased by €2.7 million, or 15.6%, from an expense of €17.6 million in the year ended December 31, 2012 to an expense of €20.3 million in the year ended December 31, 2013, mainly as a result of the increase in our financial indebtedness, but also as a result of the increase in average interest rates over the period.

Corporation tax

Corporation tax decreased by €0.8 million from €2.7 million in the year ended December 31, 2012 to €1.9 million in the year ended December 31, 2013, due primarily to our net loss for the year ended December 31, 2013 as opposed to our net profit for the year ended December 31, 2012. Corporation tax for the year ended December 31, 2013 was composed of €0.2 million of deferred taxes and €2.1 million of taxes paid. Tax paid in the year ended December 31, 2013 was mainly attributable to taxes paid by our Modular Buildings division for €1.1 million in Germany and by our Shipping Containers division for €0.7 million in Singapore.

Cash Flow

The following table summarizes our cash flow for the years ended December 31, 2012, 2013 and 2014.

(€ thousands)	Year ended December 31,		
	2012	2013	2014
Cash flow from operating activities	**(22 619)**	**25 328**	**57 082**
Cash flow from investing activities	**(19 663)**	**(7 263)**	**-329**
Cash flow from financing activities	**57 600**	**(19 227)**	**(37 193)**
Cash flow from exchange rate fluctuations	**-520**	**(1 444)**	**3 862**
Change in net cash position	14 798	(2 606)	23 422
Cash at the beginning of the period	34 565	49 363	46 757
Cash at the end of the period	49 363	46 757	70 179

Cash flow generated by (used in) operating activities

The following table sets out the components of our cash flow generated by (used in) operating activities for the years ended December 31, 2012, 2013 and 2014.

(€ thousands)	Year ended December 31,		
	2012	2013	2014
Self-financing capacity before net interest expense and tax	53 092	46 292	32 260
Taxes paid	(2 910)	(2 085)	(1 199)
Change in working capital requirements relating to operations excluding changes in inventory	1 374	11 722	12 426
Change in inventory	*(38 694)*	*(9 094)*	*3 636*
Change in working capital requirements for investment	*11 543*	*3 686*	*(16 079)*
Acquisition of assets intended for leasing	*(63 064)*	*(46 061)*	*(20 467)*
Revenue from sale of assets	*14 625*	*20 311*	*44 609*
Net impact of finance leases granted to customers	*1 415*	*556*	*1 896*
Sub-total (1)	(74 175)	(30 601)	13 595
Cash flow from operating activities	**(22 619)**	**25 328**	**57 082**

(1) The sum of change in inventory, change in working capital requirements for investment, acquisition of assets intended for leasing, revenue from sale of assets and net impact of finance leases granted to customers represents the net cash impact of purchases and sales of equipment over a given period.

Our cash flow generated by (used in) operating activities is mainly impacted by taxes paid, changes in working capital requirements relating to operations excluding changes in inventory (which includes fixed assets, which are primarily our rental equipment that we hold for our own account and that we intend to retain or that we intend to syndicate but have retained on our balance sheet for over one year) and cash flows related to our acquisitions and sales of assets for syndication.

Cash flows from our investments in leasing equipment and income from the sale of this equipment are presented under cash flow from operations instead of under cash flow from investing activities, in accordance with IFRS. Similarly, reimbursements of credits extended under finance leases granted to our customers are included in cash flow from operations rather than as cash flow from investments.

- **Description of key cash flow generated by (used in) operating activities line items**

Self-financing capacity before net interest expense and tax

Self-financing capacity before interest expense and tax corresponds to our operating results, adjusted for depreciation, provisions for deferred taxes, capital gains and losses on sales of fixed assets and other non-cash items, before the cost net financial debt and taxes paid.

Taxes paid

Taxes paid include corporate income tax paid in each jurisdiction in which our group operates, including the French regional economic contribution (Contribution économique territoriale), which comprises the corporate value added tax for French entities (Cotisation sur la valeur ajoutée des entreprises, or "CVAE"), which is recorded on our income statement in operating expense, and the French business property tax (Cotisation foncière des entreprises).

Change in working capital requirements relating to operations excluding changes in inventory

Change in working capital requirements relating to operations excluding changes in inventory correspond primarily to net changes in trade receivables, other current assets, trade payables and other payables not related to disposals of capital assets or capital expenditure.

Change in inventory

Change in inventory reflects variations in our inventory, which consists primarily of rental equipment that we have held for less than one year. We typically syndicate assets in inventory to third-party investors within one year of their acquisition.

Change in working capital requirements for investment

Change in working capital requirements for investment corresponds to net changes in accounts receivable and accounts payable related to assets we hold as fixed assets, which consists primarily of our rental equipment that we hold for our own account and that we intend to retain or that we intend to syndicate but have retained on our balance sheet for over one year.

Acquisition of assets intended for leasing

Acquisition of assets intended for leasing represents cash expended on the purchases of equipment for our rental fleet which are recorded as fixed assets and are not acquired for syndication to third-party investors.

Revenue from sale of assets

Revenue from sale of assets represents cash received on sales of equipment previously held as fixed assets on our balance sheet.

Net impact of finance leases granted to customers

Net impact of finance leases granted to customers represents the cash impact of reimbursements received during any given period of credits extended to our leasing customers under financial lease arrangements.

- **Year ended December 31, 2014 compared to the year ended December 31, 2013**

Our cash flows from operations reflect our strategy to decrease our level of investment and increase our level of sales of non-strategic or non-rented assets in order to generate cash and reduce our indebtedness. Cash flow generated by operating activities was €57.1 million in the year ended December 31, 2014, as compared to cash flow generated by operating activities of €25.3 million in the year ended December 31, 2013, representing an increase of €31.8 million. This increase was primarily attributable to a decrease of net investments in inventory and fixed assets, from €51.4 million for the year ended December 31, 2013 to a net outflow of €32.9 million in the year ended December 31, 2014, as well as to an increase in the sale of fixed assets from €20.3 million in the year ended December 31, 2013 to €44.6 million in the year ended December 31, 2014. The increase in cash flow generated by operating activities was partially offset by a decrease in self-financing capacity before net interest expense and tax of €14.0 million, from €46.3 million for the year ended December 31, 2013 to €32.3 million for the year ended December 31, 2014. This decrease is attributable to a decline in our EBITDA from €50.9 million for the year ended December 31, 2013 to €40.0 million for the year ended December 31, 2014.

- **Year ended December 31, 2013 compared to the year ended December 31, 2012**

Cash flow generated by operating activities was €25.3 million in the year ended December 31, 2013, as compared to cash flow used in operating activities of €22.6 million in the year ended December 31, 2012, representing an increase of €47.9 million. This increase was primarily attributable to a net positive change in working capital requirements relating to operations excluding changes in inventory of €10.3 million due to a decrease in days sales outstanding, combined with a lower level of capital expenditure for our rental equipment (a net expenditure of €30.6 million for the year ended December 31, 2013 as compared with a net expenditure of €74.2 million for the year ended December 31, 2012, or a decrease of €43.6 million). Net expenditure on new equipment declined during the year ended December 31, 2013 due to our pursuit of a higher volume of opportunistic sales of equipment, coupled with lower levels of investment in new equipment. The increase in change in working capital requirement was offset in part by a lower self-financing capacity before net interest expense and tax for the year ended December 31, 2013 of €46.3 million as compared with €53.1 million for the year ended December 31, 2012, due to a decline in our EBITDA from €61.8 million for the year ended December 31, 2012 to €50.9 million for the year ended December 31, 2013.

Cash flow used in investing activities

The following table sets out the components of our cash flow used in operating activities for the years ended December 31, 2012, 2013 and 2014.

(€ thousands)	Year ended December 31,		
	2012	2013	2014
Acquisition of tangible and intangible assets	(1 621)	(1 168)	(1 629)
Net change in financial fixed assets	391	-98	-194
Revenue from sale of assets	10	100	1 494
Effect of changes in the consolidation perimeter	(18 443)	(6 097)	
Cash flow used in investing activities	**(19 663)**	**(7 263)**	**-329**

Cash flow used in investing activities was €0.3 million in the year ended December 31, 2014, as compared to cash flow used in investing activities of €7.3 million in the year ended December 31, 2013, a decrease in cash used in investing activities of €7.0 million. The decrease in cash used in investing activities for the year ended December 31, 2014 is primarily attributable to our decision to reduce our level of major investments.

Cash flow used in investing activities for the year ended December 31, 2013, in turn, represented a decrease in cash used in investing activities of €12.4 million as compared with the €19.7 million of cash used in investing activities for the year ended December 31, 2012. Cash flow used in investing activities during the year ended December 31, 2012 was particularly high due to our acquisition of a majority stake in SRFRL and our acquisition of our Modular Buildings division's Moroccan subsidiaries. At the time of the Moroccan acquisition, we paid a portion of the purchase price in cash and a portion in the form of a vendor loan, which we subsequently repaid during the year ended December 31, 2013. The repayment of this vendor loan was the primary component of cash flows used in investing activities for the year ended December 31, 2013.

Cash flow generated by (used in) financing activities

The following table sets out the components of our cash flow generated by (used in) financing activities for the years ended December 31, 2012, 2013 and 2014.

(€ thousands)	Year ended December 31,		
	2012	2013	2014
Cash inflows from new loans	167 940	34 572	35 364
Loan repayments	(95 863)	(65 546)	(60 581)
Net change in financial debt	**72 077**	**(30 974)**	**(25 217)**
Net increase in shareholders' equity (capital increase)	9 658	36 523	15 001
Net cost of financial debt	(17 492)	(19 623)	(17 305)
Distribution of dividends	(5 668)	(3 760)	(5 027)
General Partners' statutory compensation	-981	-892	-509
Payment of interest on Hybrid Capital			(4 060)
Net sale (acquisition) of warrants		-510	
Net sale (acquisition) of own shares	6	9	-76
Cash flow from financing activities	**57 600**	**(19 227)**	**(37 193)**

Cash flow used in financing activities was €37.2 million in the year ended December 31, 2014, as compared to cash flow used in financing activities of €19.2 million in the year ended December 31, 2013, representing an increase in cash used in financing activities of €18.0 million. This increase in cash used in financing activities was partially attributable to interest payments attributable to Hybrid Capital during the year ended December 31, 2014 and higher dividends payable to minority interests, including an increased dividend made by our joint venture with Chicago Freight Car Leasing in connection with the winding-down of its activity. The increase was only partially offset by capital inflows generated from a tap issuance of Hybrid Capital during the year ended December 31, 2014 and a decrease in the level of net cost of financial debt.

Cash flow used in financing activities was €19.2 million in the year ended December 31, 2013, as compared to cash flow generated by financing activities of €57.6 million in the year ended December 31, 2012, representing a decrease in cash generated by financing activities of €76.8 million. This decrease in cash generated by financing activities was primarily attributable to a decrease in net change in financial debt of €103.1 million (reflecting lower cash inflows from new loans in the year ended December 31, 2013 compared to the year ended December 31, 2012), only partially offset by an increase in shareholders' equity of €26.9 million due to the issuance of our hybrid capital securities in 2013.

Capital Expenditures

As a business specializing in the leasing of mobile standardized equipment, we engage in investments in capital assets in the ordinary course of business. We seek to acquire fleets of new or existing equipment in order to grow our revenue. The decision as to whether to invest in new equipment is subject to analysis by our division heads based on a variety of factors that enable them to estimate an expected return on investment, including:

- the price at which the equipment is to be purchased;
- the projected price at which we will be able to rent such equipment;
- the projected duration of a lease for such equipment; and
- expected counterparty risk.

Most of our capital expenditure is discretionary. As a result, our level of investment varies from year to year.

The table below shows the investments that we have made during the years ended December 31, 2012, 2013 and 2014 on its own behalf and on behalf of third-party investors. The amounts below differ from those shown in our consolidated cash flow statement, notably because we reflect the value of capitalized equipment at its historical gross value, which is its purchase price, and due to cut-off effects reflected on our cash flow statement.

(€ thousands)	Year ended December 31,		
	2012	2013	2014
Gross fixed assets investments			
Shipping Containers	*9 658*	*2 061*	*3 108*
Modular Buildings	*30 062*	*23 238*	*10 558*
Freight Railcars	*101 650*	*14 421*	*5 537*
River Barges	*16 152*	*8 410*	*2 941*
Miscellaneous	*179*	*330*	*483*
Total	157 701	48 460	22 627
Variation in inventory			
Shipping Containers	*31 457*	*13 511*	*(6 739)*
Modular Buildings			
Freight Railcars	*9 689*		*57*
River Barges			
Miscellaneous			
Total	41 147	13 511	(6 683)
Sale of fixed assets (historical gross value)			
Shipping Containers	*(6 747)*	*(8 893)*	*(23 328)*
Modular Buildings	*(7 947)*	*(8 417)*	*(17 774)*
Freight Railcars	*-503*	*-213*	*(8 890)*
River Barges	*(10 643)*	*(8 895)*	*(7 576)*
Miscellaneous	*-37*	*-279*	*-7*
Total	(25 877)	(26 697)	(57 575)
Net investments in fixed assets and inventory			
Shipping Containers	***34 368***	***6 679***	***(26 960)***
Modular Buildings	***22 115***	***14 821***	***(7 216)***
Freight Railcars	***110 836***	***14 208***	***(3 297)***
River Barges	***5 509***	***-485***	***(4 635)***
Miscellaneous	***142***	***51***	***477***
Total	**172 971**	**35 274**	**(41 630)**
Gross investment in managed assets			
Shipping Containers	*74 505*	*65 675*	*86 580*
Modular Buildings			
Freight Railcars			
River Barges			
Miscellaneous			
Total	74 505	65 675	86 580
Capitalized equipment sold to investors			
Shipping Containers		*5 474*	*19 100*
Modular Buildings			
Freight Railcars			
River Barges			
Miscellaneous			
Total		5 474	19 100
Sale of capitalized equipment			
Shipping Containers	*(26 570)*	*(20 799)*	*(30 762)*
Modular Buildings			*-493*
Freight Railcars	*(90 843)*	*(35 523)*	*(18 235)*
River Barges			
Miscellaneous			
Total	(117 413)	(56 322)	(49 490)
Net investment in managed assets			
Shipping Containers	***47 935***	***50 350***	***74 917***
Modular Buildings			***-493***
Freight Railcars	***(90 843)***	***(35 523)***	***(18 235)***
River Barges			
Miscellaneous			
Total	**(42 908)**	**14 827**	**56 189**
NET INVESTMENTS			
Shipping Containers	***82 303***	***57 029***	***47 957***
Modular Buildings	***22 115***	***14 821***	***(7 709)***
Freight Railcars	***19 994***	***(21 315)***	***(21 531)***
River Barges	***5 509***	***-485***	***(4 635)***
Miscellaneous	***142***	***51***	***477***
Total	**130 062**	**50 101**	**14 559**

We intend to continue to invest in new equipment in line with past years as part of our disciplined investment strategy to permit organic growth through an increase in the size of our fleet while seeking to minimize underutilization.

Undertakings Received Under Non-Cancellable Operating Leases

A substantial portion of our rental fleet across our four divisions is subject to operating leases that by their terms may not be cancelled at the option of the lessee without a penalty. Such leases require our lessees to maintain units on lease for the duration of the lease, and as a result, we have a certain amount of visibility regarding minimum future revenue to be generated by such contracts over the short- and long-term.

The following table sets for the minimum future payments to be received under our non-cancellable operating leases as of December 31, 2012, 2013 and 2014.

(€ thousands)	As of December 31, 2014				
	Shipping Containers	**Modular Buildings**	**River Barges**	**Freight Railcars**	**Total**
Between 0 and 6 months	37 070	6 571	3 453	10 632	57 725
Between 6 months and 1 year	36 047	4 938	3 587	8 068	52 640
Between 1 and 5 years	124 498	6 698	19 809	13 687	164 692
More than 5 years	2 464	613	7 049	671	10 797
Total	**200 079**	**18 820**	**33 898**	**33 057**	**285 854**

(€ thousands)	As of December 31, 2013				
	Shipping Containers	**Modular Buildings**	**River Barges**	**Freight Railcars**	**Total**
Between 0 and 6 months	26 992	6 825	3 609	10 815	48 241
Between 6 months and 1 year	22 140	5 016	3 189	8 353	38 698
Between 1 and 5 years	104 607	6 508	17 831	9 322	138 269
More than 5 years	4 734	141	8 499		13 374
Total	**158 473**	**18 491**	**33 128**	**28 490**	**238 582**

(€ thousands)	As of December 31, 2012				
	Shipping Containers	**Modular Buildings**	**River Barges**	**Freight Railcars**	**Total**
Between 0 and 6 months	26 903	9 728	2 956	11 929	51 516
Between 6 months and 1 year	21 467	5 230	2 722	9 419	38 837
Between 1 and 5 years	102 745	6 970	17 414	14 377	141 505
More than 5 years	18 859	2	13 071		31 933
Total	**169 974**	**21 929**	**36 162**	**35 725**	**263 791**

Off-Balance Sheet Arrangements

See note 28 to our audited consolidated financial statements for the year ended December 31, 2014.

Qualitative and Quantitative Disclosures About Market Risks

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates. See note 26 to our audited consolidated financial statements for the year ended December 31, 2014.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires us to use judgments, estimates and assumptions, including expectations of future events, which affect the reported amounts of certain financial statement items. These assessments and estimates are reviewed at each reporting date and the underlying assumptions are adjusted, where appropriate, based on actual results, experience and any other relevant factors given the economic circumstances. The effects of such adjustments are recognized when made. The items reported in our future consolidated financial statements may differ from current estimates due to changes in the assumptions made and economic circumstances at the reporting date. The main assumptions relating to future events and other sources of estimation uncertainty at the reporting date that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are presented below.

Estimates

Preparing financial statements in accordance with IFRS standards has led management to perform estimates and put forward assumptions affecting the book value of certain assets and liabilities, income and expenses as well as the information given in certain notes to the statements. Since these assumptions are intrinsically uncertain, actual information may differ from the estimates. The Group regularly reviews its estimates and assessments in order to take past experience into account and factor in any elements considered relevant regarding economic conditions. The statements and information subject to significant estimates especially concern the appraisal of potential losses in value of the Group's tangible assets, goodwill, financial assets, derivative financial instruments, inventories and work in progress, provisions for risks and charges, and deferred taxes.

Impairment of Fixed Assets

According to IAS 36 "Impairment of Assets", the recoverable value of tangible and intangible fixed assets must be tested as soon as there is any indication of a loss of value (to the Group or in the market), and is reviewed at the end of each financial period. This test is carried out at least once a year in the case of assets with an indefinite lifetime, which in the Group's case means goodwill.

For this test, fixed assets are grouped into cash-generating units ("CGUs"). These are homogeneous groups of assets whose continuous use generates cash flows largely independent of the cash flows generated by other groups of assets. The recoverable value of these units is most often calculated from their value in use, that is, from the discounted future net cash flows expected on the basis of business scenarios and on forecast operating budgets approved by senior management. CGUs in our Group consist of consolidated subsidiaries operating in the same line of business of the Group.

If a CGU's recoverable value is below its net book value, then an impairment is recognized. If the CGU contains an element of goodwill, the impairment is charged first against goodwill before any remaining impairment is charged to the CGU's other fixed assets. However, in certain situations there may be impairment factors applying specifically to certain assets that justify a test and—depending on the outcome—an impairment of those assets regardless of which CGU they are attached to.

- **Revenue from Ordinary Activities: Components**

We are in the business of providing operating leases on standardized mobile equipment either owned by us or managed by us on behalf of investors. In the latter case, we buy new equipment and then transfers ownership to investors. The investors entrust management of their assets to the Group under management contracts. Equipment managed by the Group is rented out to its customers (see notes 1.21.2 and 1.21.3 to our consolidated financial statements as of and for the year ended December 31, 2014). We also carry out trading activities (buying goods for resale—see note 1.21.4 to our consolidated financial statements as of and for the year ended December 31, 2014). Lastly, we sometimes sell our own equipment (fixed assets previously leased to customers) either to investors or third parties (see note 1.21.6 to our consolidated financial statements as of and for the year ended December 31, 2014).

- **Recognition and Recording of Revenues and Expenses Connected with Management Agreements**

The Group operates and manages equipment on behalf of third-parties as part of its shipping container and freight railcar leasing businesses. Asset pools are set up for this purpose, grouping together several investors including the Group. These pools group equipment usually of the same type and age. This form of organization makes it possible to share the revenues and expenses of equipment in a given pool.

On the basis of an analysis of these management agreements in the light of international standards, the Group acts as principal both in its relations with investors (pools) on the one hand, and with customers on the other. The Group is entirely free to choose the customers, producers and suppliers it deals with, and to negotiate prices for the purchase, leasing and sale of the equipment it manages. Customers do not know who the ultimate owners of the equipment are.

Accordingly the Group books all revenue and expense streams generated by these contracts to its income statement. It includes in its revenues the gross lease payments billed to its customers for all the pool-owned equipment it manages. The operating expenses of all the equipment managed are booked under operating expenses. A portion of the net revenues is then paid to the investors (see note 1.21.6 to our consolidated financial statements as of and for the year ended December 31, 2014).

As required by IAS 18, the Group must determine if it is acting as a principal or as an agent. On the basis of the following factors, the Group believes that it acts as a principal within the scope of its transactions. The criteria for concluding that a company is acting as principal are as follows:

- The company has the primary responsibility for providing goods or services, for example as a result of being responsible for the quality of goods and services ordered or sold to the customer. The Group directly signs lease agreements with customers. Customers do not know who the ultimate owners of the equipment are.
- The company bears the risks associated with holding stocks before the customer order, during transportation or in case of return. The Group assumes any risks linked to equipment in the first place. The Group may then have recourse to the owners for compensation.
- The company is free to set selling prices, directly or indirectly. The Group has complete freedom in the choice of its customers and rental rates without reference to the owners of the equipment.

In view of these characteristics, it may be concluded that we are acting as principal.

- **Leasing Revenue**

Leasing revenues are the proceeds from leasing (on operating or financial leases) the equipment managed by the Group, for itself or on behalf of others, in the Group's four divisions, as well as the proceeds from additional services billed in the course of arranging those leases. It also includes the River Barge division's receipts from the freight, chartering and storage business. Interest income on finance leases to customers is also booked under leasing revenues.

Changes in leasing revenues are therefore directly linked to the equipment owned or managed by the Group, the leasing rates and the utilization rates of the equipment.

When the sale of modular buildings is accompanied by a firm repurchase agreement at a fixed price (sale with repurchase clauses), the revenue from the sale is not booked immediately upon delivery as revenues from sales of equipment. Rather, it is recognized as lease payments which do not vary over the duration of the contract, for the difference between the sales price and the purchase price agreed with the customer. Those same modular buildings are capitalized, and are depreciated using the same Group depreciation schedule as for other modular buildings owned directly by the Group.

- **Sales of Equipment**

Sales of equipment corresponds to the revenue generated by trading, sales to investors in the Shipping Container and Freight Railcar divisions and income from the sale of fixed assets intended for leasing. The corresponding purchases of equipment and the net book values are booked under external purchases and expenses on our income statement presented by type, and under cost of sales on our income statement classified by function. Equipment bought and not yet resold is accounted for in the end-of-period inventories (see note 1.11 to our consolidated financial statements as of and for the year ended December 31, 2014). Assignments of finance lease receivables are also included in sales of equipment.

Outlook

We are continuing to implement our strategy of increasing utilization rates, selling non-leased and non-strategic assets, stabilising proprietary investments and financing growth through investments on behalf of third parties. We are continuing to reduce the debt in order to create shareholder value, improve operating liquidity and increase the fleets managed for third party investors.

Shipping Containers: Growth of 7% in 2015 and 2016 is forecast for container transport according to Clarkson Research (January 2015). Demand for new containers should therefore remain high in 2015, even if it continues to depend on global economic growth, which was revised downwards by the International Monetary Fund (+3.5% in 2015 and 3.7% in 2016). We do not expect a rise in leasing prices in the short/medium term while dollar interest rates and the price of steel remain low.

We are seeing strong momentum in the Shipping Container business resulting from the continued growth of world trade, a still clear demand from customers for new containers and a strong investor interest for financing these investments within a context of low interest rates and steel prices.

Modular Buildings: We are continuing to liquidate our excess equipment capacities in Europe, in a market characterised by a slow recovery in the construction industry, even if the situation is more favourable in Eastern Europe. Leasing of modular buildings should improve slowly due to the slight recovery in activity in Europe but will continue to have a negative impact on the Group's profitability in 2015. We expect business to remain below the break-even point in 2015.

We are seeing a recovery in the construction sector mainly in Poland although our operations in France, Benelux and Spain are still being affected by the low level of construction, industry and investments being undertaken by local authorities despite major structural requirements. Germany recorded good business activity due to emergency housing requirements for foreign refugees. In Africa and South America, we are still seeing significant requirements for modular buildings, a market that we are addressing with sales only, not rental.

River Barges: In spite of high utilization rates at the start of the year, 2015 remains uncertain due to a significant decline in the raw and agricultural materials sectors. Nevertheless, as market leader for barge leasing in South America the Group remains confident that it will continue to develop in that zone. Business improved in Europe, where the Group continued to adapt its fleet to demand.

Demand for River Barges should remain at a high level and the Group plans to boost its investment on the American continent.

Freight Railcars: The European market has shown continuous signs of recovery for several months, but we expect slow growth in the leasing business. Requirements for freight railcars in Europe are increasingly marked by a growing need to replace equipment following low investment for many years. In addition, the Group continues to develop its international leasing offers.

The Freight Railcar leasing business in Europe should continue to improve in 2015 with an increase in utilisation rates and should also record its first successes in Asia.

In general, the TOUAX Group has the benefit of advantages that enable it to develop and make the most of the economic recovery: diversification of its businesses, positioning in structurally buoyant markets, flexible model of third-party asset management and proprietary asset management, and recurring income from long-term leases.

An additional presentation of the Group's outlook presented at the SFAF meeting on March 13, 2015 is provided in section 28.3 page 183.

Post-balance sheet events

TOUAX paid an interim dividend of €0.50 per share on 2 January 2015 for a total of€2.9 million.

Research and development activity

During the 2014 fiscal year, the Group incurred expenses for the development of modular building solutions. These costs were booked as charges.

Use of financial instruments by the Group

Some of the Group's operations are financed by variable-rate loans, some of which are hedged by interest rate derivatives, in order to reduce the Group's exposure to interest rate risk.

2. TOUAX SCA

TOUAX SCA provides advisory services to its subsidiaries, and has a real estate business.

Individual financial statements

The sales revenue of TOUAX SCA came to €2.3m in 2014 compared with €2.1m in 2013. Consultancy services provided by TOUAX to its subsidiaries increased slightly in 2014. The net result amounted to €5.5m compared with €2.7m in 2013. Its income mainly comprised dividends received from subsidiaries which amounted to €6.3 million, and financial revenue generated by the loans granted to its subsidiaries.

The balance sheet of TOUAX SCA came to €362.5 million compared with €320.8 million in 2013. The TOUAX SCA balance sheet mainly comprised its holdings on the assets side, and the financing of the holdings on the liabilities side.

Non-deductible expenses amounted to €176,000. These expenses are largely made up of the neutralization of exchange adjustments (€72,000) and the miscellaneous accrued expenses (€102,000).

The company does not have R&D business activities.

The main business of TOUAX SCA is to provide consultancy services to its subsidiaries. The management anticipates a stable year for the Group in 2015.

The financial debt of TOUAX SCA amounted to €125.1 million, including bond issues coming from €22.3 million, compared with €132.6 million at December 31, 2013. Financial debt fell by 5.6%.

The businesses of the company's main subsidiaries are detailed in the reference document in section 6.1.1 page 38 and 7.1 page 58.

Dividend distribution policy

The company implements a regular distribution policy. It has paid a dividend each year since its creation. The dividend varies according to the Group's results. It has no set distribution rule, such as a fixed percentage of net income or of the quoted market price. It paid an interim dividend of €0.50 per share on January 2, 2015.

Dividends unclaimed for five years are paid to the deposit and consignment office by the body responsible for dividend distribution. A history of the distribution policy is presented in section 20.6.1 page 118 of the reference document.

FISCAL YEAR	Date of payment	General partners' statutory compensation	dividend per share	number of shares (excluding treasury shares)	TOTAL of the distribution
2011	10 January 2012		0,50	5 714 500	2 857 250
2011	9 July 2012	980 515	0,50	5 712 507	3 836 769
TOTAL 2011			**1**		**6 694 019**
2012	11 January 2013		0,50	5 735 033	2 867 517
2012	5 July 2013	892 151			892 151
TOTAL 2012			**0,5**		**3 759 667**
2013	15 January 2014		0,25		1 469 730
2013	9 July 2014	508 611	0,25	6 234 194	2 067 159
TOTAL 2013			**0,5**		**3 536 889**
2014	2 January 2015		0,50	5 876 528	2 938 264
2014*	2 July 2015	400 017			400 017
TOTAL 2014			**0,5**		**3 338 281**

* subject to the General Meeting to be held 11 June 2015

Post-balance sheet events

The company paid an interim dividend totalling €2.9 million on January 2, 2015.

Appropriation of the result

The Managing Partners will propose the following appropriation of the result to the next General Meeting on June 11, 2015:

Net profit of the 2014 fiscal year	5 524 013,00 €
Less General Partners's statutory compensation	-400 016,78 €
Less the allocation for the legal reserves	-276 200,65 €
Increased by the positive retained earnings	338 854,29 €
For a total of distribuable profit of	**5 186 649,86 €**
Distribution of a total amount of €0.5 per share, given that	
- an interim didivend of €0.50 has been paid out for :	2 938 264,00 €
Allocation of the balance to the retained earnings	**2 248 385,86 €**

The General Meeting sets the net dividend for the 2014 fiscal year at €0.50 per share. In view of the interim dividend of €0.50 net per share paid out on January 2, 2015 to be deducted from the dividend for the 2014 fiscal year, no additional dividend will be paid.

TOUAX SCA term of payment

In accordance with Article D.441-4 of the French Commercial Code, the following table presents the breakdown at December 31, 2014 of the outstanding trade accounts payable by due date.

Trade accounts payable *(VAT included, € thousands)*	2014	2013
TOTAL of the non past due trade receivable	**476**	**740**
- including Group trade payable	263	384
TOTAL of the past due trade receivable	**458**	**179**
- including trade receivable < 60 days	303	65
- including trade receivable > 60 days	155	114
- including Group trade receivable		
- including non-Group trade receivable	458	179
TOTAL	**934**	**919**

The trade accounts payable of €934,000 are included under accounts payable.

- **Results of the company during the last five fiscal years (individual financial statements)**

	(€ thousands)	**2014**	2013	2012	2011	2010
I	SHARE CAPITAL AT YEAR END					
	a) Share capital	47 070 184	47 070 184	45 922 136	45 765 992	45 565 208
	b) Number of existing ordinary shares	5 883 773	5 883 773	5 740 267	5 720 749	5 695 651
II	OPERATIONS AND RESULTS FOR THE YEAR					
	a) Revenue excluding taxes	2 337 402	2 147 071	2 306 593	2 662 895	1 705 053
	b) Earnings before tax, depreciation, amortization and provisions	5 914 646	2 885 745	4 924 070	5 338 903	5 626 848
	c) Corporation tax	49 626	(41 266)	(216 433)	(235 596)	(204 392)
	d) Employee profit sharing due for the year					
	e) Earnings after tax and calculated charges	5 573 639	2 716 259	5 000 534	4 589 885	5 328 102
	f) Distributed income	2 938 264	3 028 278	2 867 517	3 251 499	4 158 030
III	EARNINGS PER SHARE					
	a) Earnings after tax but before depreciation, amortization and provisions	1,01	0,49	0,86	0,93	1,02
	b) Earnings after tax and depreciation, amortization and provisions	0,95	0,46	0,87	0,80	0,94
	c) Net dividend per share	0,5	0,5	0,5	1 (1)	1 (2)
IV	WORKFORCE					
	a) Average number of employees during the year	2	2	2	2	2
	b) Total payroll for the year	39 252	39 000	39 825	765 140	730 189
	c) Total social security benefits for the year (social security, welfare benefits etc.)	14 034	16 803	15 699	242 720	234 417

(1) of which 0.45€ a has been paid out of the share premium
(2) of which 0.28€ a has been paid out of the share premium

3. Corporate, environmental and social information (CSR)

The new statutory provisions resulting from Article 225 of the Grenelle 2 Act published in April 2012 and codified in Articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code, require the Group to publish from 2012 onwards, a certain amount of extra-financial (quantitative and qualitative) corporate, environmental and social information in its annual report.

These information are provided in section 26.2 of the reference document.

4. Other information

- **Statutory employee profit-sharing in the company's capital at December 31, 2014**

There was no statutory employee profit-sharing in the company's capital at December 31, 2014.

- **Cross-stockholding**

There is no cross-stockholding (holding of securities of TOUAX SCA by its subsidiaries). The organization chart of the Group is set out in section 7.1 of the reference document and the list of subsidiaries is set out in the note 2.2 of the notes to the consolidated financial accounts of the reference document.

- **Treasury stock**

On December 31, 2014, the company held 6,865 of its treasury stock, These shares were acquired following the stock buyback program approved by the Combined General Meeting of June 11, 2014. The history of the movements of treasury stock held by TOUAX is detailed in chapter 18 of the reference document.

- **Compensation of the Managing Partners**

The total compensation received by the Managing Partners of TOUAX SCA came to €895,700 in 2014. This remuneration is detailed in the reference document, chapter 15 page 64.

Regarding the remuneration of Managing Partners, it is worth remembering that this is governed by the articles of association and can only be set and modified by the stockholders in a general meeting ruling in the presence of a quorum and by a majority of an extraordinary general meeting. The stockholders may refer to paragraphs 15.1 and 27.2 section 1.2 of the 2014 reference document to find out the elements of the remuneration owed or attributed for the fiscal year ending 31 December 2014 to the Managing Partnes, Mr Fabrice WALEWSKI and Mr Raphaël WALEWSKI.

TOUAX considers the statutory remuneration for Managing Partners to be a sign of the business's transparency and already gives stockholders rights regarding this issue. Company decides no resolution will be submitted to upcoming stockholders annual meeting regarding the compensation of the Managing Partners.

Compensation of the General Partners

The General Partners' compensation corresponds to 3% of the Group's net income plus 1% of the Group's consolidated EBITDA after deducting leasing income due to the investors. In 2014, the General Partners received 3% of the 2013 net income plus 1% of the Group's consolidated EBITDA after deducting the leasing income due to investors, i.e. a total of €508,600. This compensation specified in the Articles of Association is considered equivalent to a dividend.

Mandates and duties exercised by the corporate officers

The report of the Chairman of the Supervisory Board indicates the terms of office and duties of the corporate officers. This report is included in the reference document, section 27.2 page 166.

Adjustment of the conversion factors of stock-options and marketable securities giving access to capital

No adjustment of the bases for converting the redeemable stock warrants issued in 2007 has been made.

On 31 December 2014, there were only 1,278,910 remaining 2007 redeemable stock warrants to be exercised, which are not in-the-money on the date of this report.

Powers delegated by the General Meeting

The Combined General Meeting of June 11, 2013 and June 11, 2014 delegated the following issue authorizations to the Managing Partners:

description of the authorization	authorization date	Expiration date	Maximum amount athorized(1)	utilization during the fiscal year	Total amount unused
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital with preferential rights	Combined shareholders' meeting of 11 June 2013 (16th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2014	nil
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital without preferential rights through a public offering and with priority delay	Combined shareholders' meeting of 11 June 2013 (17th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2014	nil

(1) The ceiling of €20,000,000 is the maximum amount authorized for all capital increases par value.

description of the authorization	authorization date	Expiration date	Maximum amount athorized(1)	utilization during the fiscal year	Total amount unused
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of a category of persons	Combined shareholders' meeting of 11 June 2014 (15th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€960,000**	unused in 2014	nil
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of the general partner Société Holding de Gestion et de Participation	Combined shareholders' meeting of 11 June 2014 (16th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused in 2014	nil
Increase share capital by issuing share subscription warrants, subscription and/or acquisition warrants of new and/or existing shares and/or subscription and/or acquisition warrants of new and/or existing redeemable shares, without preferential subscription rights in favour of the general partner Société Holding de Gestion et de Location	Combined shareholders' meeting of 11 June 2014 (17th resolution)	11 December 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused in 2014	nil

Stock buyback

The Group bought and sold its own shares via its liquidity contract managed by an investment service provider. A summary of the stock buyback program is given in the reference document in section 18.4 page 68.

Bonus shares or stock options

None

Injunctions or sanctions for anti-competitive practices

None

Dealings in securities carried out by the management

To the company's knowledge, there were no security transactions carried out in 2014 by the managers and the General Partners.

Stockholders and breakdown of voting rights

A list of the stockholders, the percentage of shares and voting rights held, and the thresholds crossed are presented in the reference document, chapter 18 page 67.

There are no categories of shares or securities which do not represent capital.

Employee stockholding

None

Factors likely to have an impact in the event of a takeover bid

The company's legal form, a partnership limited by shares under French law, is generally considered to protect the company from takeover bids. There are two categories of stockholders, limited partners and general partners; the latter have the power to appoint the Managing Partners, which makes it difficult to carry out a change of control.

Regulated agreements

The following related party agreement concluded by TOUAX SCA remained in force during the 2014 fiscal year:

Companies concerned	Related party agreement
SCI FRANKLIN LOCATION	Offices lease contract

The ruling of 31 July 2014 provides that the supervisory board may decide that agreements with subsidiaries or parents companies wholly owned will not be subject to this annual review. It related to agreements authorised before 2 August but after that date would no longer be.

This relates to the tax consolidation agreement between TOUAX SCA and its 100% subsidiaries; TOUAX Container Services, TOUAX Solutions Modulaires, TOUAX River Barges and TOUAX Corporate as well as its sub-subsidiary TOUAX Construction Modulaire. Due to this new rule, this agreement therefore no longer falls within the scope of regulated agreements.

No new regulated agreement was concluded during the 2014 fiscal year.

Pursuant to Article L.225-102-1 of the French Commercial Code, no agreements are mentioned.

Risk factors

The principal risks are detailed in section 4, Risk Factors, of the reference document and in the notes to the consolidated financial statements note 1 page 109.

Interest and market risk, shares risks and any other financial risks are detailed in paragraph 4.4 page 32.

5. Other Ordinary General Meeting resolutions submitted to the stockholders

Renewal of the terms of office of the members of the Supervisory Board (7th to 12th resolutions) and setting of the supervisory members' attendance fees (6th resolution)

The Supervisory Board currently has six members. They are elected for one year, i.e. until the Ordinary General Meeting called to approve the financial statements for the fiscal year to December 31, 2014.

You are asked to renew the terms of office of the following six members for a period of one year, i.e. until the General Meeting called to approve the financial statements for fiscal year 2015:

- Mr Alexandre WALEWSKI,
- Mr Jean-Jacques OGIER,
- Mr Jérôme BETHBEZE,
- Mr François SOULET de BRUGIERE,
- AQUASOURCA represented by Mrs Sophie DEFFOREY-CREPET,
- Mrs Sophie SERVATY.

You will find a detailed presentation of the six members who are being put forward for renewal in section 27.2 page 170 of the report of the Chairman of the Supervisory Board.

It is stated that, in accordance with the law, the General Partners who are stockholders cannot take part in the vote to renew the terms of office of the members of the Supervisory Board.

We propose that you allocate attendance fees to the members of the Supervisory Board for a total of €63,000.

Renewal of the authorization to carry out a stock redemption program (13th resolution)

We propose that you renew the program to authorize the buyback of shares in our company.

It should be noted that this program only concerns TOUAX shares listed for trading on Compartment C of the NYSE Euronext Paris regulated market, ISIN FR0000033003.

The previous stock redemption program was authorized by the Ordinary General Meeting of June 11, 2014 and has been reported on half-yearly to the AMF. The purpose of the program was to:

- carrying out market making and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider, in accordance with the Code of Practice recognized by the French Financial Markets Authority (AMF);
- granting stock options and/or allotting bonus shares to employees and managers of the company and/or of TOUAX Group companies;
- granting coverage for securities that entitle the holder to receive shares in the partnership under the regulations currently in force;
- keep the shares bought, and use them later for trading or as payment in possible corporate acquisitions, though the shares acquired for this purpose may not exceed 5% of the capital stock;
- proceed with their cancellation.

The scheme was set up for the sole purpose of conducting transactions so as to enhance activity and liquidity in the market for the shares. These purchase and sale transactions were carried out via a liquidity agreement concluded on October 17, 2005 in accordance with the code of ethics approved by the AMF, with the investment services provider GILBERT DUPONT.

At December 31, 2014 the company held 6,865 treasury stock, it being stated that during the 2014 fiscal year it bought 100,973 shares and sold 97,544 shares under the liquidity agreement, the sole purpose of which was market making and ensuring the liquidity of the TOUAX share.

The transactions are summarized in the following table:

Declaration by TOUAX SCA of transactions in own shares on February 28, 2015	
Percentage of the share capital held directly or indirectly	0,10%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	6,103
Book value of the portfolio (€)	99,552.53
Market value of the portfolio (€)	99,845.08

TOUAX has not used derivatives in connection with its previous share buyback scheme.

The renewal of this program is in line with articles L. 225-209 of the French Commercial Code and will be submitted to the General Meeting of stockholders on June 11, 2015 (13th resolution).

Our company wants to implement this stock redemption program with the same aims as those adopted by the General Meeting of June 11, 2014.

Regarding the aim of stabilizing the share price, the company's shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the code of ethics approved by the French Financial Markets Authority (AMF).

These shares may be acquired, sold, transferred or exchanged on one or more occasions, by any means including, where appropriate, by private agreement, block sale of holdings or the use of derivatives. These transactions may be carried out at any time, including during a public offering, subject to the regulations in force.

The program concerns the possibility of buying back a maximum of 10 % of the capital stock under the following conditions:

• Maximum purchase price per share: 40 €

• Maximum amount: 23,535,092 €

• Length of the program: 18 months from the authorization granted by the Ordinary General Meeting on June 11, 2014, i.e. until December 10, 2016.

We ask you to approve the draft resolutions which are submitted for your approval.

La Défense, March 13, 2015

Fabrice and Raphaël Walewski

Managing Partners

26.2. CORPORATE, ENVIRONNEMENTAL AND SOCIAL REPORT

The new statutory provisions resulting from Article 225 of the Grenelle 2 Act published in April 2012 and codified in Articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code, require the Group to publish from 2012 onwards, a certain amount of extra-financial (quantitative and qualitative) corporate, environmental and social information in its annual report.

These provisions also stipulate that this information must be verified by a third party, which has been approved as an independent third-party organization (OTI). The latter were assessed by the Saint Front firm. The report of the independent third party organization appears in section 26.3 page 164.

All the information pertaining to the company, the environment and society aspects is provided with a moderate level of confidence, given that the OTI consulted documentary sources and conducted interviews to corroborate and appraise the sincerity of the consolidated qualitative information, which was deemed by the OTI to be of greatest significance.

The CSR information published by TOUAX Group does not appear in documents or data files other than this Managing Partners' report.

1. Corporate information

1.1 Employment

- **Total workforce and breakdown of employees by sex, age and geographic zone**

The Group had a workforce of 796 employees throughout the world at December 31, 2014 compared with 722 employees at the end of 2014. The Group increased its workforce by 10%.

22% of the workforce are located in France, 59% elsewhere in Europe, 13% in Africa, 5% in North and South America and 1% in Asia.

The breakdown in employees by geographic location and business segment as of December 31, 2014 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Central services		TOTAL	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Europe	15	18	543	496	13	15	34	30	39	36	644	595
Asia	11	10									7	7
Africa			102	91							92	92
Americas	4	3	31	18	1	2			3	3	24	24
TOTAL	**30**	31	**676**	605	**14**	17	**34**	30	**42**	39	**796**	722

On the whole the age pyramid and breakdown by category remained stable:

Geographic breakdown	2014	2013
France	**22%**	28%
International	**78%**	72%
Breakdown by type		
Male	**75%**	75%
Female	**25%**	25%
Breakdown by category		
Managers	**14%**	21 %
Employees	**86%**	79 %
Age pyramid		
Under 26	**4%**	5%
26 - 40 yrs	**46%**	48%
41 - 50 yrs	**31%**	33%
51 or over	**19%**	14%
Length of service		
< 1 year	**24%**	16%
1 - 5 yrs	**33%**	52%
6 - 10 yrs	**29%**	18%
> 10 years	**14%**	14%
Type of contract		
Number of employees with fixed-term contracts	**18%**	5%
Number of employees with permanent contracts	**82%**	95%

Appointments and dismissals

There were the following appointments and dismissals in 2014:

Total number of departures during the year	**210**	211
Total number of new appointments during the year (1)	**284**	177
Staff turnover (%)	**27%**	29%
Percentage of external recruitments with permanent contracts	**89%**	79%

In France the Group introduced a recruitment procedure, the main aims of which are to:

- Define recruitment needs as accurately as possible in terms of level, qualifications, skills, experience, etc. in order to match the candidate with the position to be fulfilled,
- Validate the expense commitment,
- Clarify the roles of each participant, the resources to be implemented and the recruitment process.

This procedure applies to every recruitment (permanent, contract, temporary and internship).

The procedure is being deployed for the foreign countries.

The various recruitment stages at TOUAX are:

- The definition of the need,
- The verification of the allocated budget,
- The search for candidates,
- The selection of the candidate,
- The drawing up of the employment contract,
- The welcome and induction of the employee.

Salaries and salary rises

In the 2014 fiscal year, the Group's payroll came to €33,388,704, compared with €31,954,041 for the previous fiscal year.

Average compensation in euros (gross salaries)	2014	2013
Geographic breakdown		
France	**45 593**	43 102
Outside France	**22 661**	24 058
Breakdown by category		
Managers	**66 246**	77 057
Employees	**24 397**	16 854

For the Group as a whole, 55% of employees received a variable component (performance-related bonus and/or commission).

1.2 Organization of work

Organization of working hours

On December 31, 2014, 1.4% of the Group's employees worked part time.

Working hours are organized differently depending on the country. The French entities can be distinguished from the rest of the world.

In France, the working hours are displayed and are visible on the compulsory notice board. The reference working hours within the TOUAX economic and social unit (such as it is defined in section 0 below) are as follows:

- Monday to Thursday: 8:45 AM to 12 noon and 1:15 PM to 5:45 PM, with a 75-minute lunch break,
- Friday: 8:45 AM to 12 noon and 1:15 PM to 4:15 PM, with a 75-minute lunch break.

The working week comprises 37.25 hours (37 hours and 15 minutes). The difference between the working hours of 37 hours and 15 minutes and the legal limit of 35 working hours is offset by days' leave for the reduction of working hours.

In 2014, there were 14 days' leave due to the reduction of working hours for all employees of the TOUAX economic and social unit.

For our foreign entities, a 40-hour working week generally applies. Each subsidiary has the autonomy and flexibility to set its reference schedule according to its own constraints and the culture of each country and for some countries these regulations are given in the Internal Rules signed in partnership with staff representatives. For the others, this is provided within work contracts.

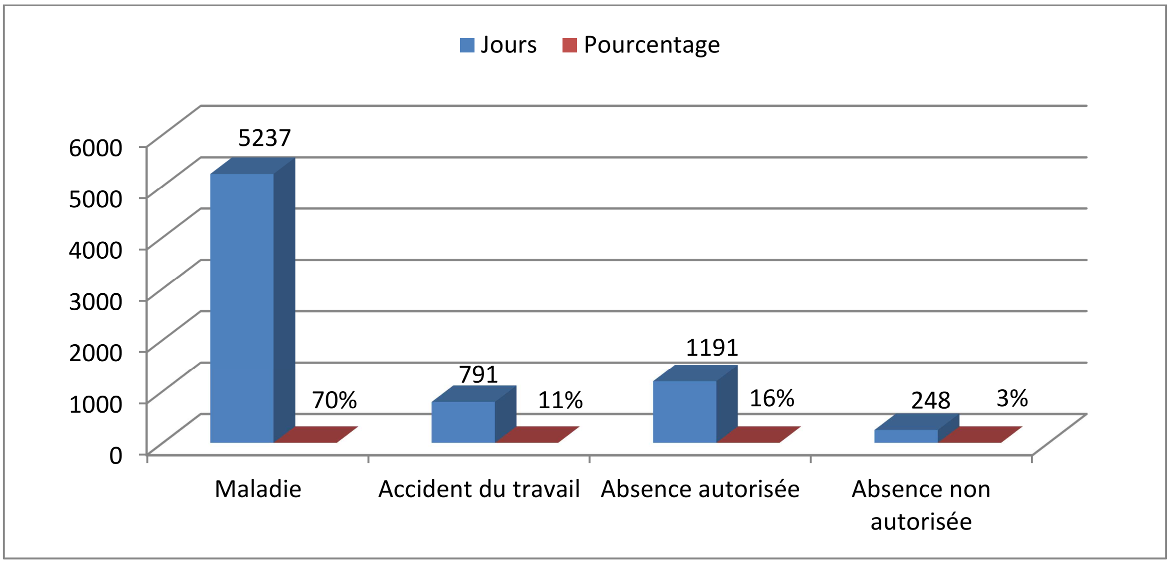
Absenteeism

The total absenteeism rate for the TOUAX Group was 3% in 2014, representing a total of 5,400 working days of absence.

The following table gives a breakdown of days of absence by grounds:

Breakdown of absences by grounds in 2014	working days
Sickness and occupational disease	**5,237**
Industrial accident (including commuting accident)	**791**
Authorized absences (excluding leave)	**1,191**
Unauthorized absences	**248**

Sickness is the main cause of absenteeism in the Group. This type of absence constitutes 70% of the total number of days of absence. The following graph shows the percentage of the different grounds for absence:



1.3 Labour relations

Organization of social dialogue, in particular procedures for informing and consulting employees and negotiating with them

➢ Organization of social dialogue in France

An economic and social unit was created in 2007 comprising TOUAX Corporate, TOUAX Solutions Modulaires, TOUAX Container Services and TOUAX River Barges. Elections to the works council of the economic and social unit are held every four years.

The elected members have the remit of the works council and of staff representatives. This combined works council/staff representative organization (DUP) can be used within the economic and social unit, given that there are fewer than 199 members of staff.

The staff representatives are informed and consulted, on an ad hoc basis and periodically (according to a projected schedule), in particular concerning the organization and running of the company, the workforce, working time and training.

Minutes are drawn up at the end of each meeting of the works council and passed on to all employees of the economic and social unit.

➢ Organization of social dialogue in our foreign entities

Strictly speaking, the organization of social dialogue is not as structured abroad as it is in France, particularly since local labour law does not require companies to set up specific structures.

Our main entity in Morocco (SACMI) is nevertheless different from the other foreign entities. It has five staff representatives elected by all employees. Elections are held every six years, supervised by the senior management and the labour inspectorate.

These representatives attend meetings of the works council with the senior management. The main topics dealt with are social issues concerning the company, such as private health insurance or the organization of working time.

In general, social dialogue takes place at individual and/or collective meetings between the employees and the management.

Assessment of the collective agreements

No collective agreement was signed by the French and foreign entities of TOUAX in 2014.

1.4 Health and safety

Health and safety conditions at work

➢ Health and safety conditions at work in France

The TOUAX UES set up a health, safety and working conditions committee (CHSCT) in December 2011.

The members of the CHSCT are appointed every two years by the incumbent members of the works council and the incumbent staff representatives. The members have received specific training in these topics. The CHSCT is chaired by the Human Resources Director.

The CHSCT meets once each quarter (or more often if there is an exceptional request or serious accident) at the request of its Chairman who draws up the agenda with the CHSCT secretary.

The role of the CHSCT is to help to protect the physical and mental health and the safety of workers, and to improve their working conditions. It can propose preventive measures and seek the assistance of an expert in certain circumstances. It should be noted that at the head office of the French entities, all of which are located in the Tour Franklin, the company doctor, the head of safety in the Tour Franklin, the labour inspector and the representative of the regional health insurance fund (CRAMIF) are invited to these meetings.

The TOUAX Group meets its legal obligations regarding health and safety at work, for example:

- By updating the single document,
- By planning medical examinations for employees,
- By organizing safety training according to the type of work (e.g.: safe driving certificate (CACS) for handling equipment drivers),
- By using personal protection equipment in the agencies (gloves, protective goggles, safety footwear etc.).

In addition to its legal obligations, for several years the Group has implemented initiatives concerning emergency aid by training certain employees as First Aid Officers. Thanks to this training course they are taught to use defibrillators by the French Red Cross.

➢ Health and safety conditions at work outside France

The size of the structure and the activity of the entities often determine the level of requirements for health and safety at work. As a result, the Group's industrial entities in the modular buildings sector located in Morocco and the Czech Republic have much stricter requirements than the other entities.

In Morocco, the main operating company has a health and safety committee comprising five coordinators, whose role is to:

- give feedback on existing failings regarding safety to the safety manager, in order to take corrective action,
- to take initial action where required (use of fire extinguisher in case of fire) and secondary action (apply the alert procedure according to the instructions of the safety manager, use the first aid hose system etc.),
- rescue and provide first aid for victims, free and evacuate injured persons in favorable conditions.

The company benefits from the services of a company doctor linked to the state health scheme who is present twice a week (Monday and Thursday). Health and safety procedures exist within the company and posters make it possible to raise the awareness of all employees. A safety manager is appointed to ensure that the instructions are respected.

In the Czech Republic the company organizes a half-day safety training course for all employees once a year. There are also training courses in fire safety and protection against harmful substances that are dangerous for health.

In Germany and Poland our companies use external consultants to ensure that local rules are respected regarding health and safety at work (first aid equipment, wearing of personal protective equipment etc.).

Assessment of the agreements signed with the trade unions or staff representatives regarding health and safety at work

➢ Assessment of the agreements signed in France and abroad

No agreements concerning health and safety at work were signed by the TOUAX France and its foreign entities in 2014.

- **Industrial accidents, in particular their frequency and seriousness, and occupational diseases**

	2014	2013
Number of industrial accidents with sick leave	33	41
Industrial accident frequency rate	29.75	34.62
Number of working days of sick leave following industrial accidents	791	848
Industrial accident severity rate	0.65	0.77
Number of fatal industrial accidents		
Number of occupational diseases declared		1

1.5 Training policies implemented

➢ Policies implemented in France

A communication campaign was carried out in November 2014 concerning mid-term interviews and training interviews by the Human Resources Department. This campaign concerned the development, improvement and formalization of the practices of the Human Resources Department in France.

The Senior Management approved the introduction of mid-term interviews and training interviews. They provide a further opportunity for employees to express their wishes for professional development and make it possible to anticipate, plan and carry out training programs approved by the management throughout the year, thanks to the projected training plan drawn up at these interviews.

➢ Policies implemented abroad

In general, there is no common training policy. Each entity has the power to manage its own training budget.

The two main types are:

- compulsory training imposed by local regulations in particular regarding safety at work,
- training aimed at developing employees' skills approved by the local management during an interview between the employee and his line manager.

The human resources procedures at our companies in Morocco are more formalized than in the other foreign entities. An annual training plan to improve skills is drawn up in January and submitted to the training office by April 30 each year at the latest.

In Ireland, the U.S.A, Singapore and Hong Kong, a training programme was initiated in 2014 to train a proportion of our employees. In addition, TOUAX wants to implement and coordinate a Group training policy group by collecting data in order to establish a consolidation

- **Total number of training hours**

In 2014 the TOUAX Group spent €208,972 on training courses at the global level, representing 5,195 training hours. The Group trained 227 employees during the year, i.e. 30% of the average workforce during the year. In Morocco, employees were trained in different areas such as security, environment, trade, information systems and languages.

1.6 Equal treatment

- **Measures taken to promote equality between men and women**

In the Group's workforce as a whole at December 31, 2014, 25% of managers were women, and 14% of women were managers. Note that during the fiscal year 2014, the TOUAX Group endeavoured to recruit more women in all its entities. Between 2013 and 2014, there was an increase of more than 10% in the number of women.

- **Measures taken to promote the employment and integration of disabled workers**

In France, the number of disabled workers (in proportion to the number of days' presence) is 1 in 2014 compared with 2.17 in 2013.

The Group encourages the employment of disabled workers through partnerships with recruitment agencies that specialize in placing disabled workers as well as the purchase of certain supplies and services from E.S.A.T. (Etablissement et service d'aide par le travail - Establishment and service for assistance in the workplace).

The Group continues to pay all of its apprenticeship tax to schools that specialize in disabilities and continues to promote the integration of disabled workers as far as possible. Since 2007 in France, TOUAX has chosen to pay most of the apprenticeship tax to the following training centres that specialize in the integration of the disabled into working life: Ecole IMG Leonce Malecot in Saint-Cloud, Clermont-Ferrand Trades Institute, INJA Paris, Impro Morphange, André Beule Institute in Nogent Le Rotrou, and IME l'Espoir in L'Isle Adam.

- **Anti-discrimination policy**

All TOUAX Group companies respect local regulations regarding discrimination and comply with the law.

As from 2011, the Group introduced an ethical charter which was given to all French employees and translated and passed on to all foreign entities. The charter has a section that deals with the issue of "respect for employees and industrial relations".

It is specified that all employees must "refrain from all forms of discrimination in particular on the grounds of sex, handicap, marital status, sexual orientation, age, political opinion, religious beliefs, trade union activity or race...". It is also specified that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

This charter makes it possible to increase employees' awareness of discriminatory practices and prevent as far as possible this type of inappropriate behavior. It should be noted that, due to its international nature, the Group welcomes numerous different cultures and nationalities within the various French entities.

1.7 Promotion of and respect for the fundamental conventions of the International Labour Organization

- **Respect for freedom of association and the right to collective bargaining**

The TOUAX Group respects the principles of freedom of association and the right to collective bargaining

Furthermore, the ethical charter specifies that all employees must "refrain from all forms of discrimination on the grounds of trade union activity" and that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

- **Elimination of discrimination regarding employment and profession**

The ethical charter has a section presenting the anti-discrimination policy

- **Elimination of forced or compulsory labour and effective abolition of child labour**

The ethical charter does not expressly deal with this issue, but does deal with the choice and fair treatment of suppliers. All employees must "be extremely vigilant with regard to suppliers that do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations".

The TOUAX Group informs its employees of the ethical issues involved when choosing suppliers.

1.8 Appendix to the corporate information

- **Methodological note**

➢ Note concerning calculation of the workforce

This includes all employees who have a fixed-term or permanent employment contract with the TOUAX Group at December 31, 2014. It therefore also includes employees whose employment contract has been suspended (paid leave, sickness, maternity leave, parental leave, sabbatical leave, individual training leave etc.) and apprentices who receive a pay slip. Expatriates are included in the workforce of the company where their mission is performed on the basis of the local contract. Temporary workers and interns are not included in the calculation of the workforce.

➢ Group scope of consolidation applied

The scope of consolidation for the corporate information includes all TOUAX Group's consolidation entities that employ staff. This includes the following entities:

BUSINESS	COMPANY
Shipping Containers	Touax Container Services
	Gold Container Corp.
	Touax Container Leasing Pte Ltd
Modular Buildings	Touax NV
	Touax BV
	Touax Espana SA
	Touax do Brasil
	Touax Solutions Modulaires
	SIKO Containerhandel Gmbh
	Touax Sp. zo.o
	Touax Modular Building Llc
	Sacmi et Ramco
	Touax s.r.o
River Barges	Touax River Barges
	Eurobulk Transport Maatschappij BV
	Touax Hydrovia Corp.
	Touax Rom SA
Freight Railcars	Touax Corporate
	Touax Rail Limited
Central Services	Touax Corporate
	Touax UK Ltd
	Touax Corp

The scope of consolidation for corporate indicators therefore includes the entire workforce of the TOUAX Group.

The scope of consolidation is reviewed and updated after each internal or external growth operation communicated by the management.

For some indicators, the data was not available for all subsidiaries. The scope of consolidation for each indicator is specified in the following section, "Coverage rate of the indicators published".

➢ Note concerning the idea of the "manager" and "employee" categories

We have decided to introduce manager and employee categories throughout the Group.

According to the definition adopted, a manager is a person who supervises at least two people for the foreign subsidiaries.

➢ Note concerning the calculation of seniority

Seniority is calculated from the date of the first contract signed by the employee with a company belonging to the TOUAX Group, and does not take into account changes of position within the Group.

➢ Note concerning calculation of staff turnover

This refers to the total number of departures during the year divided by the average workforce during the year. The average workforce is calculated by dividing by two the sum of the workforce at the start of the year and the workforce at the end of the year.

➢ Note concerning calculation of the absenteeism

The data is converted into hours and this figure is then converted back into 7-hour days.

➢ Note concerning calculation of the rate of absenteeism

This indicator is calculated by dividing the total number of working days of absence during the year by the number of days worked during the year.

- **Coverage rate of the indicators published**

The Group selected the scope of consolidation for which the indicators have been published.

The coverage rate is the ratio for each indicator between the perimeter actually concerned and the Group perimeter adopted. This rate is calculated in relation to the total workforce of the Group at the end of the year.

TOUAX undertakes to increase as far as possible its coverage rate each year. Apart from what is indicated in the table below, the indicators published cover 100% of the Group scope of consolidation.

Indicators	Coverage rate in 2014	Coverage rate in 2013	Subsidiaries for which source data could not be collected in 2014	Subsidiaries excluded
Absenteeism (sickness, occupational disease, industrial accidents, commuting accidents, sick children, authorized absences excluding leave, unauthorized absences)	100.00%	79.16%		
Number of accidents with sick leave and frequency rate, number of days' sick leave and severity rate	100.00%	100.00%		
Total training expenses during the year (in EUR) Number of training hours provided during the year	64.00%	40.38%		Czech Republic
Number of employees trained during the year and ratio	44.55%	40.38%		

2. Environmental information

2.1 General environmental policy

- **The organization of the company to take into account environmental issues and, where appropriate, the environmental assessment or certification procedures**

Section 2.5 of the TOUAX ethical charter emphasizes "environmental responsibility" and raises the awareness of all employees to this issue. Employees must ensure that they:

- contribute to the TOUAX environmental initiatives,
- think about their behavior, in all areas of activity that have an impact on the environment, in order to minimize the carbon footprint whenever possible (number of trips, saving energy, saving water, reducing waste), and
- immediately inform their line manager of any unusual discharge or emission into the ground, air or water.

Each of the Group's businesses involves different environmental issues, which we will present separately.

➢ **Shipping Containers**

Shipping containers can only be loaded and transported on ships designed for that purpose, called container carriers. Most current container carriers have a container capacity of 500 to 3,000 TEU. Even though the business only makes containers available to its customers, it indirectly contributes to sustainable development by promoting soft transport of goods which emits less CO2 per tonne-kilometer.

A typical container in the Group's fleet is made of 85% steel, 13% wood and 2% miscellaneous products (paint, joints etc.). The business has no constraints regarding recycling of materials since the containers are sold before the end of their lifecycle. It is nevertheless easy to recycle containers at the end of their life given the large amount of steel they contain. In addition, the business supports research into technical solutions (through the Institute of International Container Lessors - IICL) for developing environmentally friendly components for manufacturing containers, e.g. combinations of wood and steel for the floor in order to strengthen the latter and minimize wood consumption.

➢ **Modular Buildings**

The Modular Building division endeavors to develop increasingly eco-friendly products and processes, and especially to minimize the energy consumption of the buildings it produces, well beyond the statutory requirements.

The module assembly process on the customer's site is a dry process which does not consume water on site or pollute the soil, and limits all of the nuisances of traditional construction.

Unlike traditional construction, the modules are solutions that can be quickly and easily moved from one site to another, with less environmental impact.

The Czech entity has performed particularly well, obtaining the ISO 14001:2005 Environmental Management certification in September 2011, which is valid for a period of three years.

➢ **River Barges**

The River Barge business uses existing and natural waterways. It is a safe, low-polluting method of transport. A barge can transport far more goods than a truck or a railcar. For example, on average, a convoy of 12 barges transports the equivalent of 1,100 truckloads. This business helps to promote sustainable development by emitting comparatively less CO2 than other more conventional methods of freight transport such as road transport, according to a comparative study of CO2 emissions by different methods of freight transport by the French Environment and Energy Management Agency (ADEME).

It should be noted that the general insurance policy of the European fleet covers risks of pollution. The leases require the lessees to comply with navigation rules and expressly mention the ban on transporting radioactive products and waste.

➢ **Freight Railcars**

The Freight Railcar business contributes to sustainable development through its soft method of transport, in the same way as the River Barge and Shipping Container divisions. According to a study by the French Environment and Energy Management Agency (ADEME), in France, rail freight transport is the method of transport that emits the lowest level of CO_2, at 5.75 grams per tonne-kilometer. Next comes water transport (applicable to river barges) with 37.68 grams, then road transport with 133.11 grams.

As a member of trade associations, TOUAX Rail Ltd helps to promote and defend rail freight transport among government and European organizations. It helps to promote combined rail transport and consequently contributes directly to sustainable development and the quality of the environment at European level.

The division has also had Entity in Charge of Maintenance (ECM) status since December 2011 and the certification was renewed in December 2014. Some of the partner workshops to which maintenance of the railcar fleet is subcontracted have ISO 14001 certification, but this is not a requirement within the rail sector. In addition, the railcar maintenance workshops and railcar manufacturers comply with the local environmental standards in force.

- **Training and information provided for employees regarding environmental protection**

In 2014, the TOUAX Group enabled some of its employees from the Modular Building division to receive training hours. In Morocco, training sessions were conducted with employees relating to the assessment of environmental impacts and waste management. Environmental issues are also discussed at internal meetings with special monitoring.

Finally, the ISO 14001 certification obtained by the Czech entity made it possible to produce documents and videos on environmental management. Employees are periodically shown information videos.

An employee in the River Barges business also received training on the awarding of energy saving certificates.

- **The means devoted to preventing environmental risks and pollution**

In 2014, only the Modular Building division spent €36,098, through its Czech subsidiary, on preventing environmental risks and pollution. This amount was used as follows:

- Eco-friendly disposal of waste (90 %), and
- Water protection (10 %).

- **The amount of the provisions and guarantees for environmental risks, provided that this information is not likely to cause serious harm to the company in a current dispute**

In 2014, there were no provisions or guarantees for environmental risks within the TOUAX Group. The environmental risks likely to affect the company's assets or income are insignificant, since the Group is mainly a service provider.

2.2 Pollution and waste management

- **The measures for preventing, reducing and correcting discharges into the air, water and soil that have a serious environmental impact**

The Group optimizes its fleet of trucks and consequently respects the environment by reducing carbon emissions in the atmosphere.

The means implemented are in particular:

- Regular inspection of road transport vehicles, forklift trucks, rail-cars and pushboats,
- Subcontracting of transport to specialized companies and/or
- Streamlining of deliveries/returns in order to avoid unnecessary journeys.

Generally speaking, by ensuring that its assets are in good condition, the Group helps to respect the environment.

➢ **Shipping Containers and Freight Railcars**

There is no policy for discharges in these divisions which do not represent any specific risk in this regard, since TOUAX does not manufacture containers or freight railcars.

Nevertheless, the Freight Railcar Division makes sure that its equipment is kept in good condition with regular servicing in about thirty maintenance workshops, which are certified in accordance with TOUAX's maintenance rules.

Like the vehicles, railcars are serviced approximately every three years in the workshops. In 2014, 1,493 railcars were serviced.

Each railcar undergoes a full service. Each railcar normally has between two and six axles, given that an axle comprises a central pin and two wheels, one at each end. Work on the railcars in the maintenance workshops is divided into two separate flows:

- a flow for the axles, and
- a flow for the railcars.

➢ **Modular Buildings**

This division does not produce significant levels of polluting emissions. Nevertheless, investments were made in the assembly plants in France and the Czech Republic to further reduce the emissions identified.

In August 2011 the Czech plant invested in its module spray-painting booth, installing an incinerator for volatile organic compounds.

The French plant invested €90,000 in a high-solid paint system (30% solvent) and in an electrostatic application increasing the transfer rate by 20%. This helps to reduce discharge of organic compounds volatile in air. TOUAX kept this equipment.

➢ **River Barges**

All motorized and non-motorized units comply with the standards for registration (registration, flag, measurement) and safety for each river basin. They are registered with the waterway administration that issues registration and navigation certificates. These certificates are issued after inspection(s) by an approved company and renewed at regular intervals, generally every five years, with an intermediate inspection every two and a half years. To renew the certificate, it may be necessary to dry-dock the barge for inspection and repair work.

All boats are therefore monitored and maintained in good condition in order to meet environmental and safety standards for their respective basin. If necessary, for example in case of an oil leak, the dirty water in the engine room of the boat is pumped out by a truck or tanker and then taken to a sewage treatment plant to be reprocessed.

Preventive, recycling and waste disposal measures

➢ **Shipping Containers**

The service life of a shipping container is 15 years and the service life of a storage container varies between 20 and 40 years.

At the end of the lifecycle, used containers are sold on the aftermarket for many uses (transport, storage, processing, spare parts). Consequently they are never scrapped by the TOUAX Group.

The division endeavors as far as possible to replace its fleet with increasingly eco-friendly containers. The division now uses water-based joints for its containers instead of solvent-based joints which contain chemical products.

➢ **Modular Buildings**

The service life of a module is about 20 years. In general, the modules in the French agencies' rental fleet are reconditioned at the end of their service life. The reconditioning operations are intended to extend the service life of the product, retaining the steel structure and covering the module with new components such as panels.

When the modules cannot be reconditioned, the agencies dismantle the different components of the module and sort them. For modules that have reached the end of their life and cannot be reconditioned or sold, the components are sorted and then collected by recycling professionals. In 2014, about 80 modules were destroyed by a business specialized in recycling.

The industrial sites of the Modular Building business produce waste during the module production process. The Czech plants produced a total of 643.37 tons of waste in 2014, with the following breakdown

(in tons)	Czech plant
Scrap metal	283.6
Recycled cardboard	17.86
Recycled wood	
Recycled plastic	21.75
Common industrial waste	278.59
Aerosol (hazardous waste)	
Paint and thinner (hazardous waste)	41.97
TOTAL	**643.37**

➢ **River Barges**

The actual service life of a barge is 30 to 50 years, even though the depreciation period is 30 years.

At the end of their lifecycle, the barges are cleaned, dismantled and scrapped (i.e. taken apart) by authorized companies. The steel (scrap metal) is resold and reused. A scrapping certificate is issued by the contractor and makes it possible to obtain a scrapping and deregistration certificate from the waterway administration.

Consequently, at the end of their life barges are never abandoned or dumped, but are always dismantled and recycled as described above. In 2014, no barges of the division were sent for recycling.

➢ **Freight Railcars**

The service life of a railcar varies between 30 and 50 years. At the end of their lifecycle, railcars are never dumped. All railcars that are no longer used are either sold or scrapped (process similar to the barge recycling process).

A railcar comprises:

- 99.5% recyclable metals, and
- 0.5% spare parts (rubber watertight seals in the braking system, rubber buffer in the shock and traction systems) and liquid waste (axle grease).

The axle grease is cleaned with detergents in the maintenance workshops and then all the parts are recycled in accordance with local regulations for the workshop.

After recovering any re-usable spare parts, all scrapped railcars are recycled. In 2014, 1,493 railcars were scrapped in this way.

Procedures for dealing with noise disturbance and all other forms of pollution specific to an activity

The Group's businesses have the advantage of producing very little noise disturbance. Analyses have been conducted on the Group's industrial sites that are potentially the most exposed to this risk, to determine the level of such disturbance.

In Czech Republic, TOUAX commissioned a noise level study of its site in 2013. The results showed that the sound level in the paint and welding unit was higher than the exposure limit values. Corrective measures were immediately taken to make ear defenders compulsory. Regarding the production and assembly units, the study showed that noise levels were compliant in most cases. Nevertheless, TOUAX now provides its staff with ear defenders if needed.

Furthermore, no complaints from local residents were recorded for our 2 industrial sites.

Regarding the Freight Railcar business, the railcars purchased or manufactured by the Group since 2010 have been fitted with composite brake wear plates, which are quieter and comply with European standards for reducing noise levels emitted by railway systems.

2.3 Sustainable use of resources

Water consumption and supply according to local constraints

By their nature, the TOUAX Group's businesses consume little water. Water consumption is mainly for everyday office use, given that the modular building assembly units do not use water in the manufacturing process of the modules. This information is not provided given the diversity of the Group's sites.

Consumption of raw materials and measures taken to improve efficiency of their use

Shipping Containers

	2014	2013
Number of new containers bought (in TEU)	16,730	19,050
Number of containers sold (in TEU)	29,130	19,013
Managed container fleet at December 31 (in TEU)	627,108	602,096
Steel equivalent of new containers bought (in tonnes)	96,777	48,364
Quantity of wood for floors of new containers bought (in tonnes)	15,898	7,476

TEU: Twenty foot Equivalent Unit

Modular Buildings

	2014	2013
Number of modular manufactured by our factories	3,985	4,249
Number of modular sold	4,416	3,666
Managed fleet of modular at December 31	50,482	51,499
Steel equivalent of manufactured modulars (in tonnes)	3,919	4,909

River Barges

	2014	2013
Number of new barges bought (excluding service boats and pushboats)		24
Number of barges sold (excluding service boats and pushboats)	22	12
Managed fleet of boats at December 31	127	130
Steel equivalent of new barges bought in tonnes (excluding service boats and pushboats)		8,225

Freight Railcars

	2014	2013
Number of new railcars bought	30	
Number of railcars sold	510	1,162
Railcar fleet at December 31	7,349	7,952
Steel equivalent of new railcars bought (in tonnes)	493.5	

Energy consumption and measures taken to improve energy efficiency and the use of renewable energy

In France, the aim of the 2012 Thermal Regulations (RT2012) imposed by the Grenelle Environment Round Table is to reduce the energy consumption of new buildings by setting a maximum limit for consumption of heating, ventilation, air-conditioning, domestic hot water production and lighting.

The Modular Building division is subject to these regulations and took steps to meet the new requirements.

The fuel consumption of our two modular building assembly plants associated with logistics (fork lift trucks) was 45,092 liters in 2014.

The energy consumption of these sites is shown below:

	Czech entity	Moroccan entity	Total for industrial sites
Electricity consumption in GWh	1.043	0.38	**1.423**
Gas consumption in GWh	2.045	0.03	**2.045**
Total consumption in GWh	**3.088**	**0.41**	**3.498**

Land use

In view of issues faced by our various businesses, this information is not applicable.

2.4 Climate change

Greenhouse gas emissions

The Group's various business activities produce little pollution and emit very little greenhouse gas, since the Group's main activity is as a leasing company. The issue of emissions may arise at the level of our stakeholders, such as:

- our customers, who transport goods using the barges, containers and railcars that we make available to them, and
- our suppliers, who produce our products and who may emit greenhouse gas during the production processes.

TOUAX contributes to the development of alternative forms of transport to road transport with its Shipping Container, Freight Railcar and River Barge business activities. A calculator was set up to measure the reduction in CO2 emissions on the www.ecotransit.org website. Our road-user clients were asked to compare their CO2 emissions according to their road-use and tonnes transported. Thanks to the equipment leased by TOUAX, customers can achieve significant reductions in CO2 emissions that they can measure in an efficient way.

Adapting to the consequences of climate change

Shipping Containers

The Shipping Container business is dependent on world trade. Any impact of climate change on world trade would have an impact on this business. For example, the rise in temperature could make new trade routes accessible in the North Pole, which would reduce the number of containers required for trade between Asia and Europe.

➢ **Modular Buildings**

The Modular Building business has not identified possible consequences of climate change on the modules.

➢ **River Barges**

Climatic incidents occur frequently, but it is not possible to determine whether their frequency is due to climate change. Our customers are directly affected by of the hazards of navigation, such as drought, floods or ice sheets. In 2014, no relevant disruption has been noticed on the Danube.

➢ **Freight Railcars**

In theory, climate change, and in particular the rise in temperatures favors the Freight Railcar business by replacing polluting methods of transport (road) with cleaner methods such as rail.

2.5 Protection of biodiversity

Measures taken to protect or develop biodiversity

Out of concern for the future of the planet, the TOUAX Group decided to introduce a system for collecting documents (newspapers, magazines, paper, cardboard) and computer media (CDs, DVDs, hard drives and diskettes) at the head office in La Défense. Shred-it containers are provided for employees near the printers.

These highly efficient machines shred documents, computer media and cardboard boxes which are then squashed into bundles and directly sent for recycling to be made into second grade paper (toilet paper, kitchen paper etc.). Shred-it, which provides this service, gives us an environmental certificate at the start of each calendar year showing the number of trees saved thanks to our contribution. In 2014, 11 trees were saved.

More generally, the businesses of the TOUAX Group do not have a direct impact on biodiversity. Consequently, no concrete measures were taken to protect or develop biodiversity in 2014.

2.6 Appendix to the environmental section

The environmental section contains qualitative and quantitative information. A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

Methodological note

➢ Group scope of consolidation applied

The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. The scope of consolidation is the same as that used in the corporate section, point 1.8 above, page 157.

➢ Note concerning the calculation of the steel equivalent of new railcars

This calculation is based the average weight of an empty railcar of 23.6 tonnes, of which on average 99.5% is made of steel. The average weight was calculated by the TOUAX technical department based on the technical data for each railcar (including the tare or unloaded weight) in our information system. The calculation is the ratio between the sum of the unladen weights of all of the railcars in the fleet, and the number of railcars in the fleet at a given date.

➢ Note concerning the calculation of the steel equivalent of new barges (excluding service boats and pushboats)

The weight of the steel of each barge bought is known to the nearest kilogram, which makes it possible to calculate the total steel equivalent of all of the barges bought.

➢ Note concerning calculation of the steel equivalent of the modules manufactured

The weight of the steel of the modules manufactured is determined either according to the actual steel consumption or according to a theoretical weight of a standard module.

➢ Note concerning the calculation of the steel equivalent of new containers

The weight of the steel and wood of the containers is determined according to the type of container produced by the Group.

Coverage rate of the indicators published

This section specifies the scope of consolidation for which the indicators have been published.

The coverage rate is the ratio for each indicator between the perimeter actually concerned and the perimeter adopted (business, Group, industrial sites etc.). This rate is calculated in relation to the total workforce of the Group at the end of the year. TOUAX undertakes to increase as far as possible its coverage rate each year.

Due to the diversity of the TOUAX Group's businesses and the current organization of reporting, the indicators (except for the provisions and resources devoted to environmental protection) are not consolidated at Group level but by business. The scope of consolidation of each indicator is specified in the text. When the indicators are consolidated by business, the contributing entities are those presented in the table concerning the scope of the data. However, since some data is not accessible, the reporting perimeters may not cover all of the Group's businesses as specified below:

Name of the indicator	Basis for calculating the coverage rate	Coverage rate in 2013	Coverage rate in 2012	Subsidiaries for which source data could not be collected in 2013
Number of training hours in environmental protection (scope: permanent contracts/fixed-term contracts and apprenticeships)	Group	100%	98 %	
Amounts invested to prevent environmental risks and pollution in euros	Group	100%	98 %	
Amount of provisions and guarantees for environmental risks in euros	Group	100%	98 %	
Number of complaints from residents of industrial sites	Modular buildings plants	100%	100 %	

3. Social information

3.1 Information regarding the social commitments to promote sustainable development

- **Regarding employment and regional development**

The TOUAX Group's two industrial sites for the Modular Building business employed 49% of the total workforce at December 31, 2014. Most of the employees who work there come from the vicinity of the companies. The plants dynamize their respective local labour market areas.

For example, the Czech plant is located in Supikovice, which lies in a labour market area that historically has an unemployment rate higher than the national average.

- **Regarding surrounding or local communities**

The Group is in partnership with the association ZYVA, whose aim is to "facilitate the integration of young people into society by putting in place activities making it possible to take care of young people in difficulty".

Zy'va is involved in providing social support and promoting school attendance of children and adolescents in the heart of the Cité des Pâquerettes housing estate, one of the poorest districts of Nanterre, France. Every weekday, it offers in particular:

- Homework help, remedial and literacy classes,
- Cultural events: theatre, dancing, films etc.,
- A library, a computer room.

To help it with its work, 8% of the apprenticeship tax was paid to the association in 2014 as well as an additional subsidy.

Furthermore, the Modular Building division provides buildings for the local authorities and institutions (nursery schools, hospitals etc.) and by the very nature of its business helps to create local services for the surrounding communities.

3.2 Relations with people and organizations concerned by the company's business, in particular associations that promote integration, teaching institutions, environmental associations, consumers associations and the surrounding communities

- **Conditions for dialogue with these people or organizations**

The relations formed with many organizations helps the group to share best practices with other businesses and prepare for changes in regulations and standards.

In general, people or organizations interested by the business activities of each division can obtain information on their products and services on each relevant website. To obtain an element of information on the TOUAX Group, the interested people or organizations can go to the www.touax.com website.

- **Partnership and sponsorship initiatives**

Section 2.4 of the ethical charter, "Charitable activities and sponsorship" specifies that the TOUAX Group "authorizes sponsorships and contributions to charitable activities provided that they are in the general interest and contribute effectively to the social action specified by the Group. These actions or contributions are subject to the prior written approval of the director of the division concerned, the Managing Partners and the Human Resources Department. They are duly listed to ensure the coherence of the Group's general humanitarian policy.

The TOUAX Group has provided support to humanitarian initiatives through recognized NGOs. The Group also made donations to the Action Contre la Faim association following the participation of about 20 employees from the head office in a sponsored run aimed at financing the programs of this association in difficult areas.

Initiatives were also launched by the Group's subsidiaries abroad. In Poland our entity made donations to orphanages and hospitals.

3.3 Subcontracting and suppliers

- **Consideration of environmental and social issues in the purchasing policy**

Section 3.4 of the ethical charter addresses the issue of the choice and fair treatment of suppliers. It stipulates that all employees in contact with suppliers must "be extremely vigilant with regard to suppliers who do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations."

The TOUAX Group informs its employees of the ethical issues involved when choosing suppliers. At present, there are no clauses concerning social and environmental criteria in our purchasing policy. However it is worth noting that some suppliers enforce their own CSR criteria.

A study is under way with the manufacturers in order to include social and environment issues in purchasing agreements within the Shipping Container division.

- **The importance of subcontracting and the consideration of social and environmental responsibility in relations with suppliers and subcontractors**

The TOUAX Group intends to conduct a study in the next few years and introduce initiatives to give greater consideration to its social and environmental responsibility in its relations with suppliers and subcontractors.

3.4 Loyalty

- **Action taken to prevent corruption**

The TOUAX Group ethical charter has several sections on preventing corruption. Section 1.5 deals with gifts and invitations, section 1.6 deals with corruption and section 1.7 deals with conflicts of interests. Each section provides recommended ethical behavior to be adopted in these situations. Measures are therefore taken to increase the awareness of Group employees of the fight against corruption.

- **Measures taken to promote consumer health and safety**

➢ **Modular Buildings**

Customer specifications may include numerous options to improve safety for users, such as firefighting systems (smoke detectors, fire hoses, alarms etc.).

➢ **River Barges**

All our barges comply with safety standards. All persons on board must comply with the safety standards (life jacket, safety footwear and hard hat where appropriate).

In 2014, the division purchased five barges in Europe. The decks of the barges are covered in anti-slip metal sheets and the hold is equipped with a handrail to improve user safety.

➢ **Freight Railcars**

User manuals and maintenance guides are provided for each customer to improve user safety.

- **Other initiatives in favor of human rights**

To date, the TOUAX Group has not subscribed to the international standards concerning the respect for human rights. Nevertheless, the ethical charter makes employees aware of this issue.

3.5 Appendix to the social section

The social section provides comprehensive data.

The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. The scope of consolidation is the same as that used in the corporate section, point 1.8 above, page 157.

A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

26.3. Report of the independent verifier on the social, environmental and societal information consolidated presented in the management report issued for the year ended December 31, 2014

To the Shareholders,

As a member of the profession of certified public accountants designated as an independent third party ("Accreditation Cofrac Inspection, n°3-1055, information available on www.cofrac.fr") of TOUAX SCA, we present our report on the consolidated social, environmental and societal information established for the year ended December 31, 2014 presented in the management report (hereafter referred to as "CSR Information") pursuant to the provisions in the Article L.225-102-1 of the French Commercial Code (Code de commerce).

- **Responsibility of the company**

It is the responsibility of the Managing Partners to establish a Managing Partners report including CSR information referred to in the Article R.225-105-1 of the French Commercial Code (Code de commerce).

- **Independence and quality control**

Our independence is defined by regulatory requirements, the Code of Ethics of our profession included in the 30th March 2012 decree related to certified public accounting practices. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

- **Independent verifiers' responsibility**

It is our role, based on our work:

- To attest that the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R.224-105 of the French Commercial Code (Code de commerce) (Attestation of the presence of CSR Information);
- To express a limited assurance conclusion, that the CSR Information, overall, is presented sincerely, in all material aspects.

Our verification work was undertaken by a team of 4 people between 14th October 2014 and 12th March 2015, during 8 days with an onsite audit in Morocco on the 11th December 2014 and an audit of HQ on 3rd & 4th March 2015.

We conducted the work described below in accordance with the decree of May 13th 2013, which determines the conditions under which an independent third-party verifier conducts its mission and in accordance with the professional standards for certified public accountants and relative to specific attestations in France.

1. Attestation of completeness of the CSR information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programs.

We compared the information presented in the management report to the list provided in the Article R.225-105-1 of the French Commercial Code (Code de commerce).

We verified that the information presented covers the consolidated perimeter, namely the entity and its subsidiaries as defined by Article L.233-1, and the entities which it controls as defined by Article L233-3 of the French Commercial Code (Code de commerce) with the limitations specified in the Methodological Note.

In the absence of certain consolidated information, we have verified that the explanations provided were in accordance with the provisions in Article R.225-105, paragraph 3 of the French Commercial Code (Code de commerce).

Based on this work, we confirm the presence in the management report of the required CSR Information.

2. Limited assurance on CSR Information

We have identified the people in charge of the process for the collect, compilation, processing and control for comprehensiveness and consistency of the CSR Information present in this report.

We have identified the internal control and risk management procedures related to the preparation of the CSR Information.

On-site, we conducted interviews with the following people in order to verify the implementation of these processes:

- Director,
- Human Resources Manager,
- Payroll Manager,
- Training Manager,
- Environment and Safety Manager.

At the headquarters, we conducted interviews with the following people in order to verify the implementation of these processes:

- General Counsel,
- Administrative and Financial Director for the modular building units,
- Human Resources Director
- Human Resources Managers.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

We focused on:

- Social information: total workforce, health and safety conditions, occupational accidents, training hours
- Environmental information: Waste management and recycling, energy consumption
- Societal information: acknowledgement of social and environmental issues in the purchasing policy

For this CSR Information which we considered the most important:

- At the level of the entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions); implemented analytical procedures on the quantitative information and verified, on a sampling basis, the calculations and the compilation of the information; verified their coherence and consistency with the other information presented in the management report;
- At the level of a representative sample of entities that we selected, based on their activity, their contribution their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and corroborating them with supporting documentation. The selected sample in Morocco represented 13% of TOUAX SCA's total workforce.

For the other consolidated CSR Information, we assessed their consistency in relation to our knowledge of the Group.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we reviewed by exercising our professional judgment allow us to express a conclusion of limited assurance; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented.

Observation

Without qualifying our conclusion, we draw your attention to the following matters:

Positive steps have been taken by the Group to improve the homogeneity and viability of social data.

For the Morocco plant, health, safety and environmental processes have been examined and are currently being re-evaluated.

Toulouse, 13 March 2015

The Independent Verifier

Cabinet de Saint Front

Jacques de Saint Front

27. REPORT OF THE SUPERVISORY BOARD AND OF THE CHAIRMAN OF THE SUPERVISORY BOARD

27.1. REPORT OF THE SUPERVISORY BOARD

Dear Stockholders,

In addition to the Managing Partners' report in which the business and results of each TOUAX's division is detailed, the Supervisory Board presents to you its report on its mission to provide continuous monitoring of the Group's management in accordance with Article L. 226-9 of the French Commercial Code.

The Supervisory Board met 6 times in 2014 and exercised its supervisory duties completely independently. It considers that it received the documents and information required for it to properly carry out its brief, particularly in relation to the accounts, financial commitments and risks inherent in the business and its environment. It was given regular information by the Managing Partners about the achievements and outlooks of the divisions as well as the general situation of the Group.

Through its Chairman, the Supervisory Board takes part in divisional supervisory committees. These committees are organized by the Managing Partners and the operational departments, and their purpose is to present the business strategies, in particular the changes in market strategy, geographical strategy, competitive positioning and the progress achieved through previous strategies. Their purpose is also to study significant events occurring during the period in question. In 2014, the Supervisory Board was presented with the detailed strategic vision of the Modular Building division and the Freight Railcar division.

The different elements of the Supervisory Board's mission are provided in greater detail in the report of the chairman of the Supervisory Board.

The Supervisory Board paid particular attention to the Group's debt and points out that the banking ratios calculated on the Groups consolidated accounts were respected. However, taking into account the total debt (with and without recourse), the leverage ratio was higher than the internal limit of 5 years recommended by the Supervisory Board.

In terms of governance, the Supervisory Board was informed of the summary presented by the Managing Partners relating to the self-evaluation of the Board and has also reviewed the status of all members under the criterion of independence.

The Audit Committee met on 2 occasions prior to the meeting of the Supervisory Board relating to the interim and annual financial statements. Its particular task, as it is every year, was to review the consolidated financial statements and risks.

* * *

With regard to the main financial data of 2014 and without analysing the detailed comments from Managing Partners on this subject, we remind you that:

- the Group's consolidated revenue amounted to €379 million on 31 December 2014 which is an improvement compared to 2013, resulting from the volume of syndications;

- operating income from transport activities, while positive, did not offset the Modular Buildings business which is still impacted by weak economic conditions in Europe;

- a consolidated net loss of €12.9 million which is an improvement of 16% on 2013;

- a decrease in indebtedness for two consecutive years, as well as an increase in free cash flow during the same period;

- fixed and tangible assets for €505 million, assets in stocks for €37 million and cash and marketable securities for €80 million.

The Managing Partners' Annual Report and the Financial Statements provided to you show the changes in the Group's business and results during the 2014 fiscal year. The Statutory Auditors have reported the findings of their audits. We have no observations to make regarding the consolidated individual financial statements of the last fiscal year.

* * *

The main ordinary resolutions submitted to you relate in particular to approving the accounts, allocating profits, the renewal of all the Supervisory Board members and the authorisation to purchase and sell its own shares.

The Managing Partners proposed to the shareholders a coupon of €0.50 per share, given that an interim dividend of the same amount has already been paid out in January 2015.

The extraordinary resolutions focus primarily on statutory changes and the authorisations to be given to the Managing Partners to increase the capital.

The Board requests your approval of all of the resolutions submitted to you.

La Défense, March 13, 2015

The Supervisory Board

27.2. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS UNDER WHICH THE SUPERVISORY BOARD'S WORK WAS PREPARED AND ORGANIZED, AND ON THE INTERNAL CONTROL PROCEDURES INTRODUCED BY THE COMPANY

Dear Stockholders,

In accordance with Article L.226-10-1 of the French Commercial Code, this report presents the conditions under which the Supervisory Board's work was prepared and organized, as well as the internal control procedures introduced by TOUAX SCA.

The other Group companies are not covered in this report. Nevertheless, they must to apply the procedures specified by the Group. All the Group's internal control procedures are applied by all subsidiaries in the same way.

The report was prepared by the Administration and Finance Department and the Senior Management of the Group, and was discussed and approved at the meeting of the Supervisory Board of March 13, 2015.

The Board wishes to point out that it conducts its work above all in a collegiate manner, with respect for ethical values, the law, regulations and recommendations.

1. Corporate governance

Specific characteristics of the Partnership limited by shares under French law

TOUAX is a *French société en commandite par actions*, or partnership limited by shares. It is governed by Articles L.226-1 to L. 226-14 of the French Commercial Code and, insofar as they are compatible with said articles, by the provisions governing limited partnerships and joint stock corporations, except for Articles L. 225-17 to L. 225-93. Within this legal framework, the Company is also governed by its by-laws.

Companies with this legal structure have two categories of partners:

- Limited Partners (shareholders), whose status is the same as that of the shareholders of a joint stock corporation: their shares may be traded on the same basis, and their liability is limited to the amount of their contribution;
- General Partners, who have the same legal status as partners in a general partnership: they are considered to be traders and have unlimited-joint and several liability for corporate debts from their own assets; their rights in the Company (evidenced by their unlisted shares) are not freely transferable, prior approval being required from all General Partner and the extraordinary shareholders meeting. General Partners can, however, hold listed shares if they make contributions or if they buy the securities; in this case, they then hold dual status as General Partner and Limited Partner. General Partners generally receive a percentage of the profits, defined in the by-laws, in consideration for the risks that their unlimited joint and several liability entails

  In view of the existence of the two categories of partners, collective decisions require dual consultation: the Limited Partners called to a Shareholders' Meeting and the General Partners. However, the General Partners play no role in appointing members of the Supervisory Board, who are chosen by the Limited Partners alone.

The Company also has a Supervisory Board, which represents the Limited Partners. It exercises continuous oversight over the Company's management.

The Company is managed by one or more Managing Partners (*gérants*), who may either be individuals or corporate entities, chosen from among the General Partners or third parties. The Managing Partners can either be designated in the by-laws or appointed subsequently, as required by the Company's business. Appointing or re-electing Managing Partners is the responsibility of the General Partners.

The law and TOUAX's by-laws make the partnership limited by shares a modern structure, well adapted to the principles of good corporate governance:

- clear separation of powers between the Managing Partners, which governs corporate affairs, and the Supervisory Board, which is appointed by the shareholders and is responsible for overseeing both the management and the accounts;
- unlimited liability of the General Partners from their own assets, illustrating the balance achieved between ownership of the Company, power and liability; and
- the Supervisory Board has the same rights and powers to report and investigate as the Statutory Auditors.

General statements

To the best of our knowledge, no conviction for fraud, bankruptcy, sequestration, liquidation, incrimination, official public sanction or impediment has been pronounced during the past five years against any of the members of the Supervisory Board, either of the Managing Partners, either of the General Partners or a company in which one of the two General Partners is a corporate officer, general partner, founder, or has administrative, management or supervisory duties.

The management expertise and experience of the members of the Supervisory Board are shown by the mandates that they hold in other companies and their length of service with the Group.

In addition, to the best of our knowledge there are:

- No potential conflicts of interest between the duties with regard to TOUAX SCA of any of the members of the Supervisory Board, the Chief Executive Officer or either of the General Partners, and their private interests or other duties;
- There are no arrangements or agreements between any of the members of the Supervisory Board or Senior Management, or either of the General Partners, and any of the main stockholders, customers or suppliers;
- No restrictions on the sale by a member of the Supervisory Board, manager or General Partner, within a certain period of time, of their interest in the Group's capital stock;
- There were no customer service contracts binding the members of the TOUAX SCA Supervisory and Managing Partners or either of the General Partners, to any of its subsidiaries;
- There are no family ties between the members of the Supervisory Board.

Compliance with the corporate governance rules of the French Association of Private Companies (AFEP) and the French employers' association (MEDEF)

In addition to legal requirements, the Group complies with the governance rules recommended by the Afep-Medef included in the Corporate Governance Code revised on June 2013. The application of the recommendations and provisions regarding the compensation of executive and non-executive corporate officers is presented in chapter 15.

In accordance with Article L. 225-68 paragraph 8 of the French Commercial Code, this report specifies the provisions of the code that are not applied by the company.

Recommendations	Current practice of TOUAX SCA - Explanations
Staggering of the terms for the members of the Supervisory Board	The duration of the terms of the members of the Supervisory Board is one year. The company does not plan to stagger the duration.
Appointment committee	An appointment committee does not appear necessary since most of the Supervisory Board members are independent and discussions between the members regarding appointments are perfectly satisfactory.
Remuneration Committee	The company has not set up a remuneration committee given the specific nature of the limited partnership. The compensation of the Managing Partners is specified in the Articles of Association. The form of partnership limited by shares grants the power to amend this remuneration to shareholders, with the unanimous agreement of the General Partners and after consultation with the Supervisory Board.
Shareholder consultation on the individual remuneration of executive directors	TOUAX believes that the statutory remuneration of the Managing Partners is a guarantee of transparency and already gives rights to the shareholders on this matter. The Company believes that there is no need to submit a resolution on the remuneration of the corporate officers at the next Annual General Meeting of Shareholders.
Composition of the Audit Committee	The Audit Committee of TOUAX is made up of 2 people, just one of whom is independent. TOUAX does not comply with a composition of 2/3 independent members because the company is controlled by a majority shareholder. Moreover, the experience of its members allows the Audit Committee to completely fulfil its brief.

1.1. The General Partners

TOUAX is a partnership limited by shares under French law (SCA) with two General Partners as stated in the articles of association described in section 21 of the reference document.

The General Partners are Société Holding de Gestion et de Participation, held and managed by Fabrice WALEWSKI and Société Holding de Gestion et de Location, held and managed by Raphaël WALEWSKI.

The General Partners hold shares in TOUAX, as is mentioned in paragraph 18.1 of the reference document. They are therefore also limited partners.

The General Partners have approved all of the resolutions put to the vote of the stockholders at the Combined General Meeting of June 11, 2014.

The compensation of the General Partners is provided for under Article 15.5 of the articles of association and voted on by the Extraordinary General Meeting. It represents 3% of the Group's share of consolidated net profit after tax, plus 1 % of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. Based on the net income for the 2013 fiscal year, in 2014 it came to €254.3 for Société Holding de Gestion et de Participation and €254.3 for Société Holding de Gestion et de Location. Since the General Partners are themselves corporations, no provisions have been set aside or recognized in respect of pensions or other benefits.

It should be noted that, in order to bring the interests of the General Partners into line with those of the company, the General Partners invested about €2 million in assets managed by the Group. These investments are governed by a Code of Practice which has been approved by the Supervisory Board. The General Partners receive the same terms for management of their assets as those applied to third party investors. The revenues from such managed assets are not guaranteed by the Group; the management fees charged by the Group are the same as those charged on the market, and the assets are managed indiscriminately in existing equipment pools. On 31 December 2014, only Société Holding de Gestion et de Participation, held by Fabrice WALEWSKI, still owns equipment. When the assets are sold and leave the pool, the General Partner receives the same terms of sale as those applied to the Group or third party investors.

1.2. Managing Partners

Since July 28, 2005 the company has been managed and administered by two Managing Partners, Fabrice and Raphaël WALEWSKI. They were appointed at the Extraordinary General Meeting of June 30, 2005 for an unlimited period. In addition to the powers of the Supervisory Board and the General Meeting, the powers of the Managing Partners are not limited.

Managing Partners meetings

They meet as a Board in order to take decisions. The Managing Partners met officially 7 times in 2014. The main purpose of these meetings was:

- payment of an interim dividend;
- the closing of the annual individual and consolidated financial statements and closing of the consolidated half-year financial statements;
- the capital subscription to a newly created company;
- authorization to issue bonds.

Alexandre WALEWSKI (Chairman of the Supervisory Board), Raphaël WALEWSKI and Fabrice WALEWSKI are first-degree relatives.

In discharging their duties the Managing Partners are assisted by an Executive Committee and the senior management of the operational departments.

Managing Partners compensation

The Managing Partners' compensation is determined in the Articles of Association and approved by an Extraordinary General Meeting. It comprises a fixed portion, a variable portion, and a family separation allowance for business trips abroad. The total amount and detail of the remunerations are presented in chapter 15 of the reference document, given that the compensation of the corporate officers came to €895,700 in 2014.

Article 11.5 of the articles of association stipulates that:

Each Managing Partner's annual compensation in connection with the general social security scheme is determined as follows:

- A fixed portion amounting to €129,354, together with benefits in kind up to a limit of 15% of the fixed salary, it being specified that this amount does not include the directors' attendance fees, payments or repayments of expenses received by the Managing Partners in respect of corporate mandates or duties performed in any of the company's subsidiaries, up to a limit of €80,000 per Managing Partner;
- A gross amount of €850 per day during business trips outside France, as a family separation allowance;
- The General Partners may only adjust these amounts within the limit of the cumulative change in the annual inflation rate published by the French national institute of statistics and economic studies (INSEE).
- A variable portion not exceeding 0.50% of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. For the purposes of this calculation, the EBITDA is the consolidated gross operating surplus after deducting the net operating provisions.

The compensation of the Managing Partners is revised annually in accordance with the provisions of the Articles of Association.

The General Partners are free to determine the methods of payment of the Managing Partners' compensation, and may limit its amount. The variable portion is paid, following the General Partners' decision, within sixty (60) days of the General Meeting called to approve the financial statements.

This compensation may be modified at any time by decision of the General Meeting of Stockholders on the proposal of the General Partners after consulting the Supervisory Board, provided both General Partners agree.

All travel and entertainment expenses incurred by the Managing Partners in the interests of the company will be paid by the company.

Current terms of office of Raphaël WALEWSKI, Managing Partner

- Company offices and commencement dates: director in 1994 (term of office expired on July 28, 2005),
- Chief Executive Officer in 1999, 2001, 2003 and 2005,
- Chairman in 1998, 2000, 2002 and 2004,
- Deputy CEO in 2005 until the company's change of form on July 28, 2005,
- Managing Partner of TOUAX SCA since 2005,
- Age: 48,
- French citizen.

Mandate as a non-executive or executive director within the following Group companies at 31 December 2014:

TOUAX Corporate SAS, TOUAX UK Ltd, Touax corporation, Gold container Corp, TOUAX Finance, TOUAX Container Leasing Pte Ltd, Gold Container Investment Ltd, TOUAX Container Financing Pte Ltd, Gold Container Finance Corp., TOUAX Container Lease Rec, Corp., TOUAX Equipment Leasing Corp., TOUAX Solutions Modulaires SAS, TOUAX Constructions Modulaires, TOUAX Africa, TOUAX Côte d'Ivoire, TOUAX Espana SA, TOUAX SRO, TOUAX SK Sro, TOUAX BV, TOUAX NV, TOUAX Assets BV, SIKO Containerhandel GmbH, TOUAX Modular Building USA, Llc, TOUAX Sp.zo.o, TOUAX Industrie Modulaire Algérie SPA, TOUAX Maroc Capital, TOUAX Maroc SARL, RAMCO, TOUAX PANAMA SA, TOUAX Rail Ltd, TOUAX Rail Finance Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd, TOUAX Texmaco Railcar Leasing Pte, TOUAX Rail Romania SA, TOUAX River Barges SAS, TOUAX Leasing Corp., TOUAX Hydrovia Corp., TOUAX Rom SA, Eurobulk Transport Maatschappij BV, CS de Jonge BV.

Raphaël WALEWSKI is also director of Société Holding de Gestion et de Location, General Partner, and partner of SCI Franklin Location.

Raphaël WALEWSKI has no directorships in listed companies outside the TOUAX Group, including those outside France.

Raphaël WALEWSKI did not directly hold any shares in TOUAX SCA at December 31, 2014.

Current terms of office of Fabrice WALEWSKI, Managing Partner

- Company offices and commencement dates: director in 1994 (term of office expired on July 28, 2005),
- Chief Executive Officer in 1998, 2000, 2002 and 2004,
- Chairman in 1999, 2001, 2003 and 2005 fiscal years until the company's change of form on July 28, 2005,
- Deputy CEO in 2004,
- Managing Partner of TOUAX SCA since 2005,
- Age: 46,
- French citizen.

Mandate as a non-executive or executive director within the following Group companies at 31 December 2014:

TOUAX Corporate SAS, TOUAX UK Ltd, TOUAX corporation, Gold container Corp, TOUAX Finance, TOUAX Container Leasing Pte Ltd, Gold Container Investment Ltd, TOUAX Container Financing Pte Ltd, Gold Container Finance Corp., TOUAX Container Lease Rec, Corp., TOUAX Equipment Leasing Corp., TOUAX Container Services SAS, TOUAX Africa SAS, TOUAX Espana SA, TOUAX NV, TOUAX Modular Building USA, Llc, TOUAX Sp.zo.o, TOUAX Rail Ltd, TOUAX Rail Finance Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd, TOUAX Texmaco Railcar Leasing Pte, TOUAX Rail Romania SA, TOUAX Hydrovia Corp.

Fabrice WALEWSKI is also director of Société Holding de Gestion et de Participation, General Partner, and partner of SCI Franklin Location. He has duties with Dunavagon Sro and DV01 Zrt, for which TOUAX manage the freight railcars.

Fabrice WALEWSKI has no directorships in listed companies outside the TOUAX Group, including those outside France.

Fabrice WALEWSKI did not directly hold any shares in TOUAX SCA at December 31, 2014.

1.3. The Executive Committee

Composition

The Executive Committee was created in June 1992.

The Executive Committee currently has 7 members:

Raphaël WALEWSKI	Managing Partner (since June 1994)
Fabrice WALEWSKI	Managing Partner (since June 1994)
Stephen Ponak	Managing Director – Asset Management (since January 1998)
Thierry Schmidt de La Brelie	Managing Director - Finance Director (since March 2005)
Richard BARREAU	Managing Director Shipping Container division (since June 2014)
Jérôme LE GAVRIAN	Managing Director Freight Railcar division (since June 2014)
Torsten WOLF	Managing Director Modular Building division (since January 2015)

Functioning

The executive committee meets regularly, usually twice a month, to conduct the effective management of the Group as well as its direction.

Its main missions are:

- to develop the Group's strategy, its investments and financial orientations,
- to monitor and control the Group's businesses,
- to monitor and manage risks,
- to monitor on investments and disposals decided by the subsidiaries.

Financial committee meetings of a technical nature are also held between certain members of the committee. In addition, the business directors of the Group's divisions occasionally attend the Executive Committee meetings to discuss matters which concern them.

Stock options and stock warrants allotted to the members of the Executive Committee

On February 2, 2007 the Managing Partners issued bonds with redeemable equity warrants (OBSARs). At December 31, 2014, to the best of the company's knowledge, none of the members of the Executive Committee held any redeemable stock warrants, save Stephen PONAK and Jérôme LE GAVRIAN. The redeemable stock warrants were not in-the-money when this report was drawn up.

1.4. Supervisory Board

1.4.1 Composition of the Supervisory Board

In accordance with legal provisions and the Articles of Association, the Supervisory Board comprises a minimum of three and a maximum of twelve members, appointed by the General Meeting of Stockholders for one year.

The Supervisory Board currently has six members. They were all renewed in 2014 for one year.

The Group does not fulfil the conditions for appointing a member representing the employees pursuant to article L.225-79-1 of the French code of commerce.

There is no lead member of the Supervisory Board.

The members of the Supervisory Board do not belong to the Group's workforce and do not have other duties within the Group, save Sophie SERVATY who is directors of an Irish company dedicated to the Freight Railcar business in India.

Proportion of women on the Supervisory Board

At December 31, 2014, there were two women (including representatives of legal entities) out of a total of six members, i.e. the proportion of women was 33%. The company already complies with the recommendation of the Afep-Medef for a rate of 20% from 2013, as well as with the law of January 27, 2011 on the representation of women in boards of directors and supervisory boards, which requires at least 20% of women on these boards from 2014.

In order to comply with the regulation of 2016, the Board is planning to appoint a woman with international experience with an industry and services profile.

Number of shares held by each member

Each member must hold a minimum of 250 shares in TOUAX SCA according to article 12.2 of the articles of association. The members are compliant with the Afep-Medef recommendation, according to which each member of the Supervisory Board must hold a significant number of shares in view of the attendance fees received.

The status of independent member

The status of independent member of the Supervisory Board was discussed by the Supervisory Board in 17 December 2014. The Supervisory Board examined the situation of each of its members and concluded that four of them were independent according to the criteria of the Afep-Medef Governance Code. The criteria adopted for deciding that two of the members were not independent are explained in section 1.4.9 below.

This code specifies that a member of the Supervisory Board is independent and disinterested if "*he or she has no relationship whatsoever with the company, the Group to which it belongs, or its management, that might compromise the exercise of his or her freedom of judgement*". The definition also includes in particular a time criterion: the member must "*not have been a Director or member of the Board for more than twelve years*". The independent members are listed in section 1.4.9 below.

1.4.2 Rules of procedure of the Supervisory Board

The work of the Supervisory Board is governed by rules of procedure that are intended to complete the laws, regulations and Articles of Association, which the Board and its members do of course respect. The rules of procedure specify the methods of functioning of the Board, in the interests of the company and all of its stockholders, and the functioning of its committee, the members of which belong to the Supervisory Board, to which it entrusts preparatory missions for its work.

These rules are likely to be amended by the Board, in view of changes in the law and regulations, and also in its own method of functioning. The last change was on December 13, 2010 in order to better define the role of the audit committee.

1.4.3 Organization of the Supervisory Board

In accordance with legal provisions and the Articles of Association, the Supervisory Board continually monitors the management of the company.

The work of the Board is organized by its Chairman.

The main topics discussed by the Board are the following:

Monitoring of the Group's principal orientations	- Strategic review of the divisions - Examination of the various opportunities - Business market
Financial position and cash	- 2014 Budget - 2014 Business Plan - 2013 annual and 2014 interim consolidated financial statements - 2013 annual individual financial statements - Presentations on the evolution of the business, financial position and statement of the Company's and the Group's net financial debt - Review and approval of press releases relating to annual and interim financial statements
Company administration and internal control	- Item on the agenda relating to the evaluation of the board - Approval of the report of the Chairman of the Supervisory Board on the corporate governance and internal control and risk management procedures - Approval of the report of the Supervisory Board - Review of the criterion of independence of the members of the Supervisory Board
Other topics	- Presentation of the resolutions at the general meeting - Issuance of share subscription warrants - Deliberation on gender equality

The Chairman:

- receives the documents prepared by the company's internal departments under the authority of the Managing Partners;
- organizes and manages the work of the Supervisory Board;
- ensures that the members of the Board are able to perform their mission, and in particular makes sure that they have the information and documents needed to carry out their mission.

1.4.4 Committee created within the Board

The Supervisory Board is assisted by an Audit Committee; there is no other committee within the Supervisory Board.

Creation

The Audit Committee was created at the meeting of the Supervisory Board of January 30, 2006. It began its mission by checking the 2005 financial statements.

The Audit Committee has 2 members, Mr. Alexandre WALEWSKI, Chairman of the Supervisory Board, and Mr. Jérôme BETHBEZE, member of the Supervisory Board.

Alexandre WALEWSKI was Chairman of the Group for over 20 years.

Jérôme BETHBEZE was Chairman of the Board of Directors, and member of the Supervisory Board of Quilvest Gestion Privée, a management company owned by Quilvest Banque Privée, itself a subsidiary of Quilvest, a group specialized in asset management. He is currently Chief Executive Officer of Quilvest Family Office. These members were selected for their financial expertise and their experience of the Group.

In accordance with the criteria specified in the Afep-Medef Code regarding the independence of members of the Supervisory Board, TOUAX notes that the Audit Committee had one independent member, Jérôme BETHBEZE.

Functioning

The Audit Committee met twice in 2014. The attendance rate was 75%.

It dealt with the following matters in particular:

- inspection of the annual and half-year consolidated financial statements for the 2014 fiscal year;
- checking that the accounting and financial reporting process complies with legal and statutory requirements;

- checking the existence of a procedure to identify, analyze and monitor risks, in particular financial risks;
- checking that the internal control procedures are applied and ensuring the reliability of the information;
- examining the Statutory Auditors' annual audit programs.

During its meetings the Audit Committee held discussions in particular with the Statutory Auditors, the Administration and Finance Officer and the Managing Partners. Included in the documents sent is a summary of the internal audit as well as the report of the auditors on their work. The Audit Committee can have recourse to external advice.

Only independent members of the Audit Committee receive compensation in the form of attendance fees. It should be noted that since the members of the Audit Committee are members of the Supervisory Board, they do not belong to the Group's workforce.

1.4.5 Functioning of the Supervisory Board

The Supervisory Board is convened by its Chairman or the Managing Partners subject to two weeks' notice by letter or analyze.

The Board has met five times during the 2014 fiscal year. The attendance rate was 91 %.

Participation of the members of the Supervisory Board at Board meetings in 2014:

Member of the Supervisory Board	Number of meetings
Jerôme BETHBEZE	6
François SOULET DE BRUGIERE	5
Company AQUASOURCA	4
Jean-Jacques OGIER	6
Sophie SERVATY	6
Alexandre WALEWSKI	6

The statutory auditors are invited to the meetings of the Supervisory Board that inspect the annual or half-year financial statements.

The regulations regarding insider dealing apply to the members of the company's Supervisory Board.

The members of the Supervisory Board were able to improve their knowledge of the Modular Building and Freight Railcar businesses thanks to a presentation by their general director.

1.4.6 Assessment of the functioning of the Supervisory Board

The Board conducted a self-assessment of its organisation and operation through a questionnaire sent to all members. The final questionnaire covered the operation of the Board in 2012. The summary was discussed by the Board at its meeting of 13 March 2015.

The members of the Board identified 2 main areas for improvement regarding the improvement of the information given to the members and the attendance of the Group's Chief Financial Officer for the business and financial quarter reviews.

The Board members consider that they have total freedom of judgment. This freedom of judgment enabled them to take part in the Board's work and collective decisions with total independence. The Board considers that it is in a position to exercise its supervisory mission in a constructive manner.

1.4.7 Minutes of the meetings of the Supervisory Board

The Supervisory Board appoints a secretary at each meeting. The secretary draws up the minutes of the meeting which are validated by the Chairman and submitted for approval to the next Board meeting. They are then signed by the Chairman and a member of the Board, and included in the minute book.

1.4.8 Compensation of the Supervisory Board

The compensation of the Supervisory Board came to €61,500 in the 2014 fiscal year, below the attendance fees set by the Extraordinary General Meeting of June 11, 2014, due to the absence of the independent member to one meeting.

The Ordinary General Meeting of June 11, 2015 will be invited to approve compensation of €63,000 for the 2015 fiscal year.

50% of the directors' attendance fees were allocated as a fixed payment, and 50% was paid according to their actual presence at Board meetings. The Chairman of the Supervisory Board receives double directors' attendance fees. Attendance fees will be allocated to the independent member(s) of the Audit Committee.

1.4.9 Current terms of office of the members of the Supervisory Board

- **Alexandre WALEWSKI – Chairman of the Supervisory Board and member of the Audit Committee**

Alexandre WALEWSKI	
Date of first appointment within TOUAX and terms of office	Director from 1966 to June 30, 2005 Chief Executive Officer from July 1977 to December 1997 Member of the Supervisory Board since June 30, 2005 Chairman of the Supervisory Board since September 29, 2005
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the General Meeting of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	No Family relationship with the Managing Partners Holds almost 9% of the capital and voting rights of TOUAX SCA
Member of a Committee	Chairman of the Audit Committee
Mini CV	Alexandre WALEWSKI was the manager of TOUAX Group for 20 years
Age	81 years
Nationality	French
Number of TOUAX shares held at December 31, 2014	551,822 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	None

- **Jérôme BETHBEZE – member of the Supervisory Board and member of the Audit Committee**

Jerôme BETHBEZE	
Date of first appointment within TOUAX **And terms of office**	Director from June 28, 2004 to June 30, 2005 Member of the Supervisory Board since June 30, 2005
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the General Meeting of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	Member of the Audit Committee
Mini CV	Jérôme Bethbèze has gained financial expertise, thanks to over 25 years' experience working in financial institutions. For about twenty years he has carried out various management duties in the Quilvest group.
Age	53 years
Nationality	French
Number of TOUAX shares held at December 31, 2014	358 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2010: Chairman of the Board of Directors of Quilvest Gestion Privée, member of the French Society of Financial Analysts (SFAF). Since 2011: CEO of Quilvest Family Office, member of the SFAF.

Jean-Jacques OGIER – member of the Supervisory Board

Jean-Jacques OGIER	
Date of first appointment within TOUAX and terms of office	As permanent representative of SALVEPAR from June 29, 2007 to June 9, 2009 Member of the Supervisory Board since June 10, 2009
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the General Meeting of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	No
Mini CV	Jean-Jacques Ogier spent his career at Société Générale, mainly in overseas management positions (Morocco, Hong Kong, USA), in both the retail bank and the investment bank. For two years, he has been the organizational and financial consultant for a project in Russia.
Age	67 years
Nationality	French
Number of TOUAX shares held at December 31, 2014	256 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	None

François SOULET DE BRUGIERE, member of the Supervisory Board

François SOULET DE BRUGIERE	
Date of first appointment within TOUAX and terms of office	Member of the Supervisory Board since June 18, 2008
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the GM of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That GM will be asked to renew his term of office for one year.
Independent director	Yes
Member of a Committee	No
Mini CV	François Soulet de Brugière has spent almost all his career in the shipping industry, and has very extensive knowledge of the issues in this sector. He has also held management positions for very many years.
Age	61 years
Nationality	French
Number of TOUAX shares held at December 31, 2014	422 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2010/2011: Vice-Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Director of the La Rochelle Business School group, and President of the French Ports Association (UPF) 2012/2013: Vice-Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Director of the La Rochelle Business School group, and Chairman of the French Ports Association (UPF) 2014:Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Chairman of the French Ports Association (UPF); member of Superior Council of Merchant Marine; Director of the La Rochelle Business School group

Sophie DEFFOREY-CREPET, representative of AQUASOURCA, member of the Supervisory Board

Sophie DEFFOREY-CREPET	
Date of first appointment within TOUAX and terms of office	As permanent representative of AQUASOURCA since June 18, 2008
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the General Meeting of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	No
Mini CV	Sophie Defforey-Crepet worked for almost ten years in advertising at the communications agency RSCG, before joining Valon. In 1998 she set up Aquasourca. She has been the treasurer of the Lyon Chamber of Commerce since 2010.
Age	60 years
Nationality	French
Number of TOUAX shares held at December 31, 2014	89,907 shares held by AQUASOURCA
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2010 to 2012: Chairwoman of Aquasourça and director of GL Events and Chapoutier 2013/2014: Chairman of Aquasourca, non-executive director of GL Events (listed on the Euronext), Polygone SA and Chapoutier

Sophie SERVATY, member of the Supervisory Board

Sophie SERVATY	
Date of first appointment within TOUAX and terms of office	Member of the Supervisory Board since June 10, 2010
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2014. Expiry date at the General Meeting of June 11, 2015 called to approve the financial statements for the 2014 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	No linked to the SOFINA group, stockholder holding over 23% of the capital and voting rights of the company
Member of a Committee	No
Mini CV	Sophie Servaty has worked for Deloitte Corporate Finance in Brussels on numerous due diligence investigations, asset valuations and specific projects. Since 2004 Sophie Servaty has held the position of Senior Investment Manager at Sofina, a financial holding company
Age	42 years
Nationality	Belgian
Number of TOUAX shares held at December 31, 2014	256 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2010: director of Sylve Invest SA, Vives SA, Capital-E NV and Capital-E Arkiv NV 2011: director of Capital-E NV, Capital-E Arkiv NV and Vives SA 2012/2013/2014: Non-executive director of Capital-E NV

1.5. General Meetings of stockholders

Participation in the General Meetings is limited to the stockholders of TOUAX SCA, regardless of the number of shares that they hold.

1.5.1 Stockholder credentials

- **Registered stockholders**

Holders of registered shares do not have to carry out any formalities to prove that they are stockholders.

- **Holders of bearer shares**

Holders of bearer shares must prove their ownership by requesting a certificate of stockholder status from their financial intermediary (bank or stockbroker which manages the securities account in which the TOUAX shares are registered). This certificate must be submitted together with an admission card to the TOUAX SCA legal department.

The shares must have been registered or the certificate submitted no later than midnight (Paris time) three working days before the date of the meeting.

Proof of identity must be shown on entering the General Meeting.

1.5.2 Voting rights

Stockholders may exercise their voting rights in one of four ways:

- **by attending the General Meeting in person** : an admission card must be requested from the Company Secretary's department of TOUAX SCA. If, however, this admission card is not received in time, holders of bearer shares may nevertheless attend the meeting provided that they present a certificate of stockholder status issued by the intermediary holding the account within the three days preceding the General Meeting;
- giving proxy to the Chairman of the Meeting;
- **giving proxy to any person of their choice** (spouse, partner with whom a civil solidarity pact has been concluded, another TOUAX SCA stockholder or any other physical person or legal entity of their choice);
- **by postal vote.**

For those unable to attend the General Meeting in person, a single form for postal or proxy voting is available to stockholders on request by registered letter with acknowledgement of receipt received at the registered office at least six days before the meeting.

To be valid this form must be filled in, signed, and have reached the registered office at least three days before the meeting. Owners of bearer shares must enclose their certificate of stockholder status with the form.

However, if the sale of securities takes place before 0.00 a.m. CET on the third working day preceding the Meeting, the company will invalidate or modify accordingly, depending on the case, the postal vote, the proxy, the admission card or the certificate of participation. For this purpose, the authorized intermediary holding the account will notify the company of the sale and give it the necessary information. If the shares are sold after that time, the certificate of stockholder status will remain valid, and the assignor's vote will be counted.

2. Internal control

Following publication by the French Financial Markets Authority (AMF) of its guidelines for internal control, the TOUAX Group specified and set up procedures in order to implement these recommendations. TOUAX applies the guidelines for mid caps and small caps published by the AMF in July 2010.

2.1. Organization of internal control

2.1.1 Definition

The internal control procedure is defined and implemented by the company, and aims to ensure:

- compliance with applicable laws and regulations,
- application of the instructions and policies set by the Senior Management,
- that its internal processes work properly, particularly those that concern the preservation and security of its assets,
- that financial information is reliable,

and more generally, internal control is a system that helps to control its businesses and enhances the efficiency of its operations and use of its resources.

2.2.2 Internal control objectives of the company

The company's internal control procedures are intended to ensure that:

- the administrative acts, performance of operations and behavior of the staff comply with the company's business policies defined by the corporate bodies, applicable laws and regulations, and the values, standards and internal procedures of the company;
- the accounting, financial and management information communicated to the corporate bodies gives a true and fair view of the company's activity and situation.
- The procedures ensure compliance with management policies, the preservation and security of assets, prevention and detection of fraud and errors, the reality and exhaustiveness of accounting records, and the establishing of reliable accounting and financial information within the time allowed.

The company's internal control system cannot totally guarantee that the objectives set will be achieved, since no procedure is infallible.

2.2.3 Components of internal control

The main internal control policies are determined according to the company's objectives.

The Group's objectives are defined by the Managing Partners. They concern not only its economic performance but also the areas in which the Group aims to achieve a particular level of excellence.

These objectives are specified for each entity and are clearly explained to the employees so that they understand and adhere to the organization's risk and control policy.

The main components of the internal control system are: (i) organization, (ii) the information system, (iii) risk management, (iv) inspection operations and internal rules, and (v) constant monitoring of procedures.

The internal control system put in place by the senior management is in line with the Group's strategy and organization. The system is supported by the operational and functional departments whose mission is to make it known within the organization.

2.2.4 Scope of internal control

The system of internal control put in place by the company is appropriate for its size.

TOUAX SCA makes sure that this system is applied by its subsidiaries. This system is suited to their characteristics and to the relations between the parent company and its subsidiaries.

2.2.5 Players involved in internal control

Internal control concerns everyone within the company, from the management bodies to each member of staff.

- **Managing Partners**

The Managing Partners define, promote and supervise the internal control system that is the best suited to the Group's situation and business.

In this connection, the Managing Partners keep themselves regularly informed of any malfunctions, inadequacies or implementation difficulties and ensure that the necessary corrective action is taken. The management informs the Supervisory Board of any important points.

- **Supervisory Board**

It is the responsibility of the management to given an account to the Board of the essential features of the internal control system.

The Board may use its general powers to carry out the controls and checks that it considers fit, and to take any other action it considers appropriate in this respect.

An Audit Committee has been formed within the Supervisory Board, which monitors the process of drawing up financial data and makes sure that there is an internal control system that is coherent and compatible with the Group's strategy and risks and carries out a review of the different internal audit assignments and its results. The Audit Committee reports on its work to the Supervisory Board.

- **Internal audit**

The operational divisions are wholly responsible for the use of the system within their remit and its proper functioning. The functioning and effectiveness of the internal control system is assessed by the financial controllers in each division based on requests by the management. Furthermore there is an internal audit department whose mission is to constantly monitor the internal control system in order to ensure that the internal control rules are applied and produce the results obtained

The internal audit department helps the Managing Partners and the Supervisory Board regarding the level of efficiency of the Group's internal control system. A summary report that includes a summary of the risk situation and any relevant recommendations is systematically drawn up as part of internal audit assignments. The improvement plans of the internal control system are carried out by the business departments following these assignments and are regularly monitored by the internal audit.

- **Company employees**

All employees have the knowledge and information required for setting up, operating and monitoring the internal control system at their level of responsibility, according to the targets they are set.

2.2. Identification of risks

One risk is the possibility that an event may occur whose consequences could affect persons, assets, the environment, the company's targets or its reputation.

To safeguard its future development and the achievement of its targets, the Group makes sure that it identifies, evaluates and manages comprehensively the risks to which it is exposed related to its various areas of activity, processes and assets.

The aims of risk management are to:

- create and safeguard the value and reputation of the Group,
- secure the Group's decision-making and procedures,
- ensure that the Group's actions are consistent with its values,
- mobilize the Group's employees around a common vision of the main risks.

These risks are identified in the chapter on 4 Risk factors, page 21 of the reference document. One or more of these risks, or other risks not yet identified or considered as immaterial by TOUAX, could have an adverse effect on the its business, financial situation, profits or share price.

An internal mapping of the risks is put together and monitored with the aim of covering all of the Group's exposure and organizing the way in which its risks are managed. Risk mapping is provided by the Group's finance department with the help of the Managing Partners, the business directors and the internal audit department.

2.3. Risk control

Risk management aims to identify and limit risks to the company's assets, resources, personnel, continued existence, profitability, reputation and its values in the broad sense of the term.

The risk management activities are implemented on a daily basis by all members of staff, while performing their duties.

The Administration and Finance Department is in charge of risk management and coordinates this general system of risk management and control.

- **Financial and accounting risks**

The financial risks are market risks (interest rate and foreign exchange risks), liquidity and/or counterparty risk, and equity price risk. They are managed by the Group's Administration and Finance Department.

The aim of the Administration and Finance Department is to rapidly produce accounting and financial information that is reliable and pertinent, pass on this information, monitor risk, in particular financial, operational and counterparty risks, put in place administrative, accounting and financial procedures, provide legal and fiscal monitoring of the Group, consolidate the accounts and respect the applicable rules and the accounting standards, implement the Group's financial policy and provide cash management.

Managing financial risk is an integral part of managing the Group. To monitor this financial and accounting risks more effectively and optimize internal control, the Administration and Finance Department is now divided into four financial business units (shipping containers, modular buildings, river barges and railcars) and of four corporate units (holdings, financing & cash, reporting & consolidation, financial, legal & fiscal communications). This method of organization makes it possible to combine business and technical expertise and as a result to assess risks more effectively.

All the financial files are managed in a centralized manner by the Treasury and Finance Department attached to the Administration and Finance Department which monitors and checks the information daily. This information is passed on to the Executive Committee. The Treasury and Finance Department puts in place the means needed to limit financial risks.

- **Other risks**

Responsibility for monitoring risks is delegated to the various operational and functional departments who implement risk management at the operational level. The operational and functional departments are accountable for the risks inherent in their businesses and give an account to the senior management of the risks identified and the action plans put in place to reduce their exposure. The Group's Administration and Finance Department and the internal audit department are involved in the management and control of these risks.

2.4. Management and supervision of the internal control system

2.4.1 Overall organization of internal control

Internal control is based on formalized procedures, the information systems, and the competence and training of the staff.
The primary cycles covered by the internal control system are income and trade accounts receivable, expenses and trade accounts payable, tangible assets, cash and financing. The secondary cycles are inventory and employees/payroll.

2.4.2 Role of the finance departments

One of the missions of the operational finance departments (shipping containers, modular buildings, freight railcars and river barges) and the corporate finance departments (holding company, financing etc.) is to monitor risk mapping, manage administrative and accounting procedures, and periodically report on financial information.

The role of the internal audit department is part of a process of continuous improvement of internal control and mainly involves auditing the procedures in place, checking the implementation of the Group's internal control standards and recommending improvements for reducing risks.

The internal audit department complies with current professional standards (of the French Institute of Auditing and Internal Control - IFACI) and the existing internal control benchmarks (COSO) and its approach is governed by an internal audit charter.

2.4.3 Limits of internal control and risk management

Even if it is designed and applied with great care, the internal control and risk management system can never totally guarantee that the objectives will be achieved. There are inherent limits to any internal control system, such as the uncertainty of the external environment and the use of judgment or malfunctions that can arise due to technical faults or human error.

Furthermore, it is necessary to take into account the cost-benefit ratio when introducing the controls, and not to develop internal control systems that are unnecessarily expensive even if this means accepting a certain level of risk.

2.4.4 General description of the control procedures

- **Income and trade accounts receivable**

The main objectives are to verify the reality of the income, the valuation of trade accounts receivable and the exhaustiveness of the cash inflows and to monitor counterparty risk.

To achieve these objectives, the Senior Management has set up the following method of organization:

- Operating Department: This department is separate from the sales and marketing departments and is mainly responsible for processing and monitoring of the filling of customer orders,
- Trade Credit Department: This department reports to the Administration and Finance Department, and is consulted before an order is processed. It is responsible for dealing with disputes. It draws up the invoices on the basis of information entered in the information system by the Operating Department. The invoices are recorded in the accounts via an automatic and integrated system.

The basic principles of the income-trade accounts receivable cycle are:

- systematic existence of leases entered in the information system,
- integration of the management and invoicing system with the accounting system,
- segregation of duties between the credit department, the operational departments and the cash department,
- the regular supervision of trade credit (DSO – Days Sales Outstanding) by the senior management.

- **Charges and trade accounts payable**

The main objectives are to check that orders are complete, the deliveries comply with the orders, the charges are exhaustive, the trade accounts payable are properly valued and the payments really exist.

It is organized as follows:

- Operating Department: initiates the order; issues Purchase Requests subject to strict limits set by the management. Takes delivery of orders once they are approved and makes sure that the deliveries comply with the orders.

- Operations management: Validates purchase requests which are converted into purchase orders. Negotiates prices, chooses suppliers and monitors terms of sale.
- Divisional Operational Department: Responsible for systematic control and approval of invoices.
- Accounts Department: Enters the invoices based on the purchase orders and prepares payments which are approved by the senior management.

The basic principles of the charges-trade accounts payable cycle are:

- the implementation of approval thresholds for orders, which must be followed,
- The separation of tasks between initiators and the approvers for each order,
- checking the delivery slips, work acceptance reports, waybills and invoices against the purchase orders,
- systematic control of invoices by the Divisional Operational Department,
- centralization of payments by the senior management.

Tangible Assets

The main objective is the protection of the Group's assets.

The company periodically conducts inventories in collaboration with the operational departments and the administrative and finance departments. Differences are analyzed, justified and presented to the senior management.

Cash

The objectives are the same as those of the other cycles. They are mainly achieved through strict segregation of duties and the involvement of the senior management.

The main features of internal control for the cash-financing cycle are:

- centralized management of cash flows through monthly monitoring of cash flows,
- monitoring of authorizations, delegations of signature and other bank commitments,
- regular assessment and forecasting of cash requirements.

2.4.5 General description of the procedures for preparing and processing financial and accounting information

Administrative and accounting procedures are in place to ensure that transactions recognized meet the objectives regarding the true and fair nature of the annual financial statements. These procedures are an integral part of the internal control system described above.

These control procedures are based on:

- an integrated management and accounting system (use of a reporting package with uniform accounting methods approved by the consolidation department),
- segregation of duties so far as department size allows,
- supervision and control by operational and functional departments and the senior management.

All financial and accounting information is reported each month to the consolidation department, which checks the consistency of the flows and the methods used. Management control checks the consistency of the data and monitors it. The results are consolidated each month, and full consolidation is carried out each quarter. The reporting, consolidation and budgetary monitoring procedures put in place are aimed at ensuring compliance with the accounting principles applied by the Group and consolidation of incidental data needed to draw up the reference document.

Monthly monitoring of the results and commitments of the subsidiaries and the Group enables the senior management to check the financial effects of the business strategies pursued, and to compare the results with the Group's budgetary commitments and business plan.

It should be noted that the subsidiaries are regularly visited by the departments (senior management, finance department, operational departments) so as to ensure that the Group's procedures are properly monitored.

The Administration and Finance Department and Senior Management are responsible for the whole of the financial communications process. The consolidation and financial communications departments produce the information needed for financial communications.

2.4.6 Assessment of internal control

Internal control procedures and those related to the drawing up of accounting and financial data are continually identified, assessed and managed and did not change significantly in 2014.

Internal control is currently assessed by the various reviews of the Group's and subsidiaries' financial statements conducted for each business through internal meeting and the Audit Committee, as well as by one-off internal audits. Actions plans to reduce risks have been drawn up for the risks identified during these assessments, and these risks will be audited again in 2015.

La Défense, March 13, 2015

Alexandre WALEWSKI

Chairman of the Supervisory Board

27.3. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD REGARDING INTERNAL CONTROL PROCEDURES RELATING TO THE DRAWING UP AND PROCESSING OF ACCOUNTING AND FINANCIAL DATA

Year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditors of TOUAX and in accordance with Article L. 226-10-1 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with the provisions of the aforesaid Article for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 226-10-1 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article 226-10-1 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information provided on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Supervisory Board's report, prepared in accordance with Article L. 226-10-1 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 226-10-1 of the French Commercial Code.

Paris and Neuilly-sur-Seine, March 13, 2015

The Statutory Auditors

LNA	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

28. Recently released information

28.1. Press release of February 26, 2015

2014 revenue up 8.4% at €378.7 million

Big increase in sales: +20.5 %

Leasing revenue stable

ANALYSIS OF THE REVENUE

Consolidated revenue in 2014 amounted to €378.7 million compared with €349.3 million in 2013, up by 8.4%. The average euro/dollar exchange rate remained stable during the year and did not have any impact on revenue.

Revenue by type *(Unaudited consolidated data, in thousands of euros)*	Q1 2014	Q2 2014	Q3 2014	Q4 2014	TOTAL	Q1 2013	Q2 2013	Q3 2013	Q4 2013	TOTAL
Leasing revenue (1)	48,772	52,034	52,587	52,797	**206,189**	51,407	53,042	51,657	49,997	**206,103**
Sales of equipment	23,984	42,565	46,089	59,864	**172,502**	8,251	47,555	25,353	62,001	**143,160**
Consolidated revenue	**72,756**	**94,599**	**98,676**	**112,660**	**378,691**	**59,658**	**100,597**	**77,010**	**111,998**	**349,262**

(1) Leasing revenue presented here includes ancillary services.

The leasing revenue was stable in 2014 at €206 million compared with 2013. Leasing revenue from the three transport divisions (shipping containers, river barges and freight railcars) increased and offset the fall recorded in the Modular Buildings division, still suffering from the weakness of the European economy.

Sales revenue increased in 2014 by 20.5% to €172.5 million compared with €143 million in 2013. This increase is due to an increase in shipping container syndication volumes driven by strong demand from investors and sales of railcars in the USA which offset the drop in sales of modular buildings and river barges.

Analysis of the contribution of the four Group divisions

Revenue by division *Unaudited consolidated data* *(in thousands of euros)*	Q1 2014	Q2 2014	Q3 2014	Q4 2014	TOTAL	Q1 2013	Q2 2013	Q3 2013	Q4 2013	TOTAL
Leasing revenue (1)	20,949	21,903	22,622	24,905	**90,379**	21,786	21,559	21,797	22,656	**87,798**
Sales of equipment	16,520	23,494	38,131	47,343	**125,489**	2,851	33,968	16,426	47,401	**100,646**
Shipping containers	**37,469**	**45,397**	**60,754**	**72,248**	**215,868**	**24,637**	**55,526**	**38,224**	**70,057**	**188,443**
Leasing revenue (1)	15,707	17,173	17,451	16,013	**66,344**	17,094	19,180	17,347	16,629	**70,250**
Sales of equipment	7,220	4,892	7,064	8,597	**27,773**	5,108	8,710	5,303	13,604	**32,725**
Modular buildings	**22,927**	**22,065**	**24,514**	**24,610**	**94,117**	**22,202**	**27,890**	**22,650**	**30,234**	**102,976**
Leasing revenue (1)	3,879	3,944	3,922	3,619	**15,364**	3,977	3,600	4,054	3,289	**14,920**
Sales of equipment	6	3,741	15	2,667	**6,429**	59	4,692	3,459	668	**8,878**
River barges	**3,885**	**7,685**	**3,937**	**6,287**	**21,794**	**4,036**	**8,292**	**7,513**	**3,957**	**23,797**
Leasing revenue (1)	8,261	9,037	8,618	8,334	34,250	8,542	8,661	8,521	8,350	34,074
Sales of equipment and misc.	238	10,437	879	1,256	**12,810**	233	185	164	328	**910**
Freight railcars	**8,499**	**19,474**	**9,497**	**9,590**	**47,060**	**8,775**	**8,846**	**8,685**	**8,678**	**34,984**
Miscellaneous and unallocated	(24)	(23)	(26)	(75)	**(148)**	8	43	(62)	(928)	**(999)**
Consolidated revenue	**72,756**	**94,599**	**98,676**	**112,660**	**378,691**	**59,658**	**100,597**	**77,010**	**111,998**	**349,262**

Leasing revenue presented here includes ancillary services.

Shipping Containers: The revenue of the shipping containers division amounted to €215.9 million, up 14.6% at the end of 2014 mainly thanks to an increase in the fleet and in syndication volumes. Leasing revenue was up 3% at €90.4 million. The increase in the managed fleet made it possible to offset the drop in leasing prices and the utilization rate, which was over 90% on average in 2014. The resilience of the activity and the context of low interest rates made it possible to increase syndication volumes, with third-party investors still showing marked interest.

Modular Buildings: The division's revenue amounted to €94 million, down 8.6%. The leasing business, down 5.6% at €66.3 million is still penalized by its European exposure, affecting utilization rates and/or daily prices, in a context of strong competition between leasing companies. The expiry of a certain number of leases in Germany also had a negative impact on the leasing business. Sales of equipment were also down at €27.8 million, due to a decline in business in Morocco. Business in Poland showed a marked recovery, anticipating the recovery in Europe.

River Barges: The division's revenue amounted to €21.8 million, down 8.4% due to fewer sales of barges than in 2013. Leasing revenue continued to grow by 3% to €15.4 million thanks to an average utilization rate in 2014 of nearly 95% and a good level of business on the Rhine. Business is diversified in the main global basins and revenue outside Europe represented 44% of the division's revenue at the end of December 2014.

Freight Railcars: The division's revenue was up 34.5% at €47 million, compared with the end of December 2013. The leasing business continued to improve slightly in Europe in 2014 but it is offset by the fall in revenue in the United States due to sales of railcars. This resulted in an increase in sales. The utilization rate of our railcars in Europe has continued to rise slowly but continuously since the start of 2014.

2014 RESULTS

TOUAX continues to be affected by the low level of business in the modular buildings sector, exposed to difficulties in the construction industry in Western Europe, but there was an improvement in operating income compared with 2013, in particular due to the recovery in certain countries including Poland. The three other businesses of leasing and sales of transport equipment (containers, railcars and barges) took advantage of better geographic diversification, and showed positive operating income at 31 December 2014.

As a result, there was a positive operating income for the group as a whole, but TOUAX expects a net loss for the fiscal year 2014, which begins to reverse compared to 2013.

We are continuing to implement our strategy of increasing utilization rates, selling non-leased and non-strategic assets, stabilising proprietary investments and financing growth through investments on behalf of third parties. This strategy had a positive impact on cash flow from operating activities (free cash flow), which was up compared with 2014 with a level of indebtedness down.

OUTLOOK

Shipping Containers: Growth of 7% in 2015 and 2016 is forecast for container transport according to Clarkson Research (January 2015). Demand for new containers should therefore remain high in 2015, even if it continues to depend on global economic growth, which was revised downwards by the International Monetary Fund (+3.5% in 2015 and 3.7% in 2016). We do not expect a rise in leasing prices in the short/medium term while dollar interest rates and the price of steel remain low.

Modular Buildings: We are continuing to liquidate our excess equipment capacities in Europe, in a market characterised by a slow recovery in the construction industry, even if the situation is more favourable in eastern Europe. Leasing of modular buildings should improve slowly due to the slight recovery in activity in Europe but will continue to have a negative impact on the Group's profitability in 2015. We expect business to remain below the break-even point in 2015.

River Barges: In spite of high utilization rates at the start of the year, 2015 remains uncertain due to a significant decline in the raw and agricultural materials sectors. Nevertheless, as market leader for barge leasing in South America the Group remains confident that it will continue to develop in that zone. Business improved in Europe, where the Group continued to adapt its fleet to demand.

Freight Railcars: The European market has shown continuous signs of recovery for several months, but we expect slow growth in the leasing business. Requirements for freight railcars in Europe are increasingly marked by a growing need to replace equipment following low investment for many years. In addition, the Group continues to develop its international leasing offers.

28.2. Press release of March 13, 2015

Revenue up by 8.4%

Operating cash flow up to €57.1m

Net debt down by 10%

Operating profit of €4.1m

Reduction of net loss attributable to the Group to -€12.9m

Main consolidated figures (in € million - IFRS)	2014	2013	variation 2014-2013
Revenue	**378,7**	349,3	**8,40%**
including Shipping containers	215,9	188,4	14,60%
Modular buildings	94,1	103	-8,60%
River barges	21,8	23,8	-8,40%
Freight railcars	47	35	34,50%
Miscellaneous and unallocated	-0,1	-0,9	
Gross operating margin - EBITDAR (1)	94,9	102,5	-7,40%
EBITDA (2)	40	50,9	-21,40%
Operating income	4,1	7,3	-43,90%
Profit before tax	-13,6	-13	5%
Consolidated net profit (loss) (Group's share)	**-12,9**	**-15,3**	**-15,70%**
Net earnings per share (€)	-2,19	-2,63	
Total non-current assets	542	562,8	-3,70%
Total assets	724,6	744,6	-2,70%
Total shareholders' equity	184,6	184,4	0,10%
Net bank borrowing (3)	358	399,6	-10,40%
Operating cash flow	57,1	25,3	125,70%

(1) The EBITDAR (earnings before interest taxes depreciation and amortization and rent) calculated by the Group corresponds to the current operating income, increased by depreciation charges and provisions for capital assets and distributions to investors

(2) EBITDA: EBITDAR after deducting distributions to investors

(3) Including €188.3 million in debt without recourse in 2014

The consolidated accounts on 31 December 2014 were approved by the Managing Partners on 12 March 2015 and were audited by the statutory auditors. The audit reports are in the process of being issued.

THE AUDITED ACCOUNTS OF THE YEAR 2014

Consolidated revenue for the year 2014 increased by €29.4 million (8.4%) from €349.3 million in 2013 to €378.7 million in 2014. The increase in sales of shipping containers to customers and investors as well as the sale of railcars in the United States account for most of this variation.

The momentum of the leasing and sale of transport equipment (containers, railcars and barges) which have a positive operating result, did not offset the activity of Modular Buildings still marked by weak economic conditions in Europe. The strategy to reduce the company's own investments, the sale of non-strategic or non-leased assets and growth financing by third party investors have brought results with an increase in operating cash flows that has reduced the Group's net debt.

The decline in EBITDAR of €7.6 million (-7.4%) taking it from €102.5 million in 2013 to €94.9 million in 2014 was mainly due to the weakness of the Modular Building business and the margins on lower sales in 2014 compared to an exceptional year in 2013 in the Shipping Container business. The EBITDAR of the River Barge business activity is stable and that of the Freight Railcar business activity is increasing. The EBITDAR reflects the performance of our business activities and all the assets managed by the Group. Overall, the Group manages €1.7 billion of (patrimonial) long life assets, 41% of which are owned by the Group. At constant exchange rates, managed assets have increased by 1% compared to the end of 2013. To be noted is the increase in assets managed on behalf of third parties which increased by €149 million in 2014 and reached one billion Euros for the first time.

The EBITDA decreased by €10.9 million from €50.9 million in 2013 to €40 million in 2014. This decrease was a result of the decline in EBITDAR mentioned above and the increase in distributions to investors.

Overall, operating income decreased by €3.2 million moving from €7.3 million in 2013 to €4.1 million in 2014. This difference is explained by the decrease in EBITDA offset by a reduction of the amount of depreciation due to a lower impairment of assets in 2014 than in 2013.

The profit before tax decreased by €0.6 million from -€13 million in 2013 to -€13.6 million in 2014. The decrease in net debt and lower interest rates have reduced the weight of the Group's financial burden, which partially offset the decline in operating income.

Net loss attributable to the Group decreased by €2.4 million (-15.7%) moving from -€15.3 million in 2013 to -€12.9 million in 2014, with the burden of tax being lower in 2014.

FINANCIAL STRATEGY

The Group's financial strategy aims to continue its debt reduction in order to create shareholder value, improve its operating liquidity and increase the fleets managed for third party investors.

The Group's net banking debt decreased by €41.6 million (-10.4%) changing from €399.6 million in 2013 to €358 million in 2014, making it the second year of lower debt. The average rate of gross financial debt on

31 December 2014 stood at 3.52% compared with 3.85% at the end of December 2013. Cash-flow amounted to €79.9 million on 31 December 2014.

Banking ratios were met. Gearing with recourse (the debt/consolidated equity ratio excluding non-recourse debt) increased to 0.99 compared with an authorised amount of 1.9. Leverage with recourse (financial debt with recourse to annual EBITDA over the last 12 months) increased to 4.34 compared with an authorised amount of 4.75.

TOUAX successfully strengthened its equity in May 2014 by issuing €18 million of hybrid capital reaching the targeted objective of €50 million of hybrid capital.

The Group's free cash (cash flow from operating activities after investments and changes in working capital) continued to increase from €25.3 million at the end of 2013 to €57.1 million at the end of December 2014.

OUTLOOK

We are seeing strong momentum in the **Shipping Container** business resulting from the continued growth of world trade, a still clear demand from customers for new containers and a strong investor interest for financing these investments within a context of low interest rates and steel prices.

As regards to the **Modular Building** business we believe that we have reached a low point in 2014, but the increase in utilisation rates will necessarily involve costs relating to the preparation and reconfiguration of equipment generating an inertia in the growth of profits.

We are seeing a recovery in the construction sector mainly in Poland although our operations in France, Benelux and Spain are still being affected by the low level of construction, industry and investments being undertaken by local authorities despite major structural requirements. Germany recorded good business activity due to emergency housing requirements for foreign refugees. In Africa and South America, we are still seeing significant requirements for modular buildings, a market that we are addressing with sales only, not rental.

The **Freight Railcar** leasing business in Europe should continue to improve in 2015 with an increase in utilisation rates and should also record its first successes in Asia.

Demand for **River Barges** should remain at a high level and the Group plans to boost its investment on the American continent.

In conclusion, we expect the Modular Buildings business to remain below the break-even point while the three transport operations will be well-positioned in 2015. TOUAX will continue to grow in 2015, both strengthening its balance sheet and growing its managed assets.

28.3. PRESENTATION OF THE OUTLOOK GIVEN AT THE SFAF MEETING ON MARCH 13, 2015

Section 6 Business Overview, parapgraph 12.1 of section 1 Known Trends, and expected changes described in the Managing Partners report on page 123 are completed by the following information presented on announcement of the Group's annual results:

In the short term, the Group's strategy is to continue growth in its free cash flow:

- by increasing its fleet of shipping containers, mainly by third parties financing. TOUAX will continue to make transactions of sale and leaseback or trading in 2015;
- by pursuing the recovery plan by eliminating the fleet’s overcapacity and by gradually improving both utilization rate and/or leasing rate;
- by the growth in the assets under management due to third party financing as well as by comforting our leader position;
- by the growth in freight railcars’ utilization rates thanks to the demand of industrial clients. Growth will be financed by third parties investors.

In the medium term the Group also plans to obtain a significant global position in each division by strengthening its economies of scale:

- The objective of the Shipping Container division is to expand in order to increase its global market share from 3.8% to 6%, with a fleet under management of 800,000 containers compared with about 627,000 at the end of 2014. In a context of growth of global trade of 3.5 % in 2015 estimated by IMF, of which 4.3% by the emerging and developing countries, the Group expects a strong demand of containers.
- The objective of the Modular Building division is to restore a normalized profitability, mainly in Europe. The development of the Group in Africa as well as in South America is a key development area thanks to the demand for site facilities, low-cost accommodation and modular buildings for companies and local authorities.
- The objective of the River Barge division is to develop new markets, particularly in South America. High demand from emerging countries for raw materials and agricultural products and the needs of renewal of old

fleet in Europe, confirm the Group's aims to keep investing in Americas and to increase its sales revenue;

- The objective of the Freight Railcars division is to expand in order to manage more than 15,000 railcars with 12,000 in Europe and 3,000 in Asia and the USA. The European average age of the fleet being old, there is a market need for replacement of the existing fleet.

29. DRAFT OF RESOLUTIONS

ORDINARY SHAREHOLDERS' MEETING TO BE HELD ON 11 JUNE 2015

On first notice of meeting, the Ordinary General Meeting can only validly proceed if the shareholders present in person or by proxy hold at least one fifth of the shares to which voting rights are attached. Motions pass by simple majority of votes cast.

FIRST RESOLUTION (APPROVAL OF THE FINANCIAL STATEMENTS OF THE FISCAL YEAR 2014)

The General Meeting, after taking note of the reports of the Managing Partners, the Supervisory Board, the Chairman of the Supervisory Board, and the Statutory Auditors on the fiscal year ended December 31, 2014, hereby approves the annual financial statements for the fiscal year ended December 31, 2014, as presented to the Meeting, showing a net income of €5,524,013.

The General Meeting approves the expenses and charges not deductible from profits as specified in Article 39-4 of the General Tax Code amounting to €1,669, as well as a tax saving of €53,799 resulting from the fiscal integration.

SECOND RESOLUTION (APPROVAL OF THE CONSOLIDATED STATEMENTS OF THE FISCAL YEAR 2014)

The General Meeting, after taking note of the reports of the Managing Partners, the Supervisory Board, the Chairman of the Supervisory Board and the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended December 31, 2014, as presented to the Meeting, as well as the transactions reflected in these statements showing a Group's loss of €12,896,013.

THIRD RESOLUTION (DISCHARGE)

The General Meeting grants discharge to the Managing Partners, the Supervisory Board and the Statutory Auditors for the performance of their mandates for the 2014 fiscal year.

FOURTH RESOLUTION (ALLOCATION OF NET PROFIT AND DISTRIBUTION OF DIVIDEND)

The General Meeting, approving the recommendation of the Managing Partners, decides to allocate and appropriate the distributable profit as follows:

Net profit of the 2014 fiscal year	5 524 013,00 €
Less General Partners's statutory compensation	-400 016,78 €
Less the allocation for the legal reserves	-276 200,65 €
Increased by the positive retained earnings	338 854,29 €
For a total of distribuable profit of	**5 186 649,86 €**
Distribution of a total amount of €0.5 per share, given that	
- an interim didivend of €0.50 has been paid out for :	2 938 264,00 €
Allocation of the balance to the retained earnings	**2 248 385,86 €**

The General Meeting sets the net dividend for the 2014 fiscal year at €0.5 per share. As a result of the distribution of an interim dividend of €0.50 per share on January 2, 2015, no additional dividend will be paid.

In accordance with Article 243-bis of the General Tax Code, the General Meeting notes that the dividends distributed for the three previous fiscal years were as follows:

Fiscal year *(in euro)*	Date of payment	General partners's statutory compensation	dividend per share	number of dividend-bearing shares	TOTAL of the distribution
2011	10 January 2012		0,50	5 714 500	2 857 250
2011	09 July 2012	980 515	0,50	5 712 507	3 836 769
TOTAL 2011			**1,00**		**6 694 019**
2012	10 January 2013		0,50	5 712 505	2 856 253
2012	05 July 2013	892 151			892 151
TOTAL 2012			**0,50**		**3 748 403**
2013	15 January 2014		0,25	5 878 921	1 469 730
2013	09 July 2014	508 611	0,25	5 876 633	1 977 769
TOTAL 2013			**0,50**		**3 447 499**

FIFTH RESOLUTION (RELATED PARTY AGREEMENTS)

The General Meeting, after taking note of the special report of the Statutory Auditors on the related party agreements specified in articles L.226-10 of the French Commercial Code and of the Managing Partners' report, takes notes of the said report and approved the regulated party agreement described in the said report.

SIXTH RESOLUTION (ATTENDANCE'S FEES)

The General Meeting sets the total amount of the annual attendance' fees for the Supervisory Board at €63,000.

This decision applies to the current financial period, and shall continue in effect until countermanded.

SEVENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Alexandre WALEWSKI's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

EIGHTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Jean-Jacques OGIER's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

NINETH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Jérôme BETHBEZE's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

TENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. François SOULET de BRUGIERE's membership of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

ELEVENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that the term of office of AQUASOURCA, represented by Ms. Sophie Defforey-Crepet, as member of the Supervisory Board expires at the end of the current General Meeting, renews it for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

TWELFTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mrs Sophie Servaty's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews her for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2015.

THIRTEENTH RESOLUTION (AUTHORIZATION TO ALLOW THE COMPANY TO PURCHASE AND SELL ITS OWN SHARES)

The General Meeting, after taking note of the Managing Partners' report, authorizes the Managing Partners, in accordance with Article L. 225-209 of the French Commercial Code, to acquire on one or more occasions and at such times as it may deem fit, shares representing up to 10% of the share capital, subject to the following conditions:

Maximum purchase price per share:	€40
Maximum amount:	€23,535,092

This amount may be adjusted accordingly in order to take into account any capital increase or decrease during the purchase program.

In accordance with Article L. 225-210 of the French Commercial Code, the acquisition of the company's own shares must not bring the shareholders' equity below the level of the share capital plus non-distributable reserves.

These shares may be acquired, sold, transferred, exchanged, on one or more occasions by any means including by private agreement, block sale of holdings or the use of derivatives, for one of the purposes set forth by the law, i.e.:

- supporting the secondary market and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider acting independently, in accordance with the AMAFI Code of Practice recognized by the French Financial Markets Authority (AMF);
- granting stock options and/or allotting bonus shares to employees and managers of the company and/or of TOUAX Group companies as well as any allocation of shares as any employee savings plan or of the French statutory profit-sharing scheme and/or any other forms of allocating shares to employees and/or company corporate officers;
- granting coverage for securities that entitle the holder to receive shares in the company under the regulations currently in force;
- retaining the shares bought, and using them later for trading or as payment in connection with external growth operations, it being stated that the shares acquired for this purpose may not exceed 5% of the share capital; and/or
- cancelling the shares.

For the first objective, the company's shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the AMAFI Code of Practice approved by the French Financial Markets Authority (AMF).

These transactions may be carried out at any time, including during a public offering, subject to the regulations in force.

This authorization enters into effect on acceptance by this General Meeting. It is granted for a period of 18 months. It cancels and replaces the authorization granted by the 14th resolution of the Ordinary General Meeting of June 11, 2014.

The General Meeting grants all powers to the Managing Partners or any person duly appointed thereby, to decide when to implement this authorization and to determine its terms and conditions, and in particular to adjust the above purchase price in case of transactions that modify the shareholders' equity, the share capital or the par value of the shares, to place any orders on the stock exchange, conclude any agreements, make all declarations, carry out all formalities and in general do everything that is required.

FOURTEENTH RESOLUTION (FORMALITIES)

The General Meeting grants all powers to the bearer of a copy or extract of the minutes of this General Meeting in order to carry out the legal and statutory formalities.

30. INCLUSION BY REFERENCE

In accordance with Article 28 of Commission Regulation EC 809/2004 implementing the "Prospectus" Directive 2003/71/EC, the following documents are included by reference in this document submitted on March 23, 2015:

- the reference document for the fiscal year ended December 31, 2011, submitted on April 5, 2012 under reference number D.12-0294;
- the reference document for the fiscal year ended December 31, 2012, submitted on April 9, 2013 under reference number D.13-0316;
- the reference document for the fiscal year ended December 31, 2013, submitted on April 10, 2014 under reference number D.14-0333.

31. GLOSSARY

River barge: non-motorized metallic flat-bottomed vessel used to transport goods by river.

Shipping container: standard sized metallic freight container.

Modular building: building made of standard elements (modules), installed unmodified at a site by stacking and/or juxtaposition.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization. The EBITDA used by the Group is the current operating income (operating result after distribution to investors) restated to include depreciation and provisions for fixed assets.

EBITDAR: Earnings Before Interests, Tax, Depreciation, Amortization and Rent

Operational leasing: unlike financial leasing, operational leasing does not transfer almost all the risks and benefits of the asset's ownership to the lessee.

Pool: equipment grouping.

Pusher, push-tug: Motorized vessel used to push river barges.

TEU (Twenty Foot Equivalent Unit): twenty foot equivalent – unit of measure for containers. This unit may be physical (one 40' container is the equivalent of two 20' containers) or financial (the price of a 40' container is equal to 1.6 times the price of a 20' container). The measurement unit used in this report is the physical unit (TEU), unless otherwise indicated (financial unit - FTEU).

asset-back securitization: la titrisation d'actif est une méthode de financement d'une entreprise consistant à transférer des actifs de leur propriétaire (un « vendeur ») à une entité à désignation spécifique qui finance l'acquisition en émettant des titres (« billet ») à diverses parties (« investisseurs »).

Intermodal transport/combined transport: the carriage of goods using more than one means of transport, integrated over long distances and in the same container,

Freight Railcar: Railcar used to transport goods.

TABLE OF CONTENTS

This reference document was submitted to the French Financial Markets Authority (AMF) on March 23, 2015 in accordance with Article 212-13 of its General Regulations. It can be used in support of a financial transaction if it is supplemented by a short form prospectus certified by the French Financial Markets Authority. This document was drawn up by the issuer and the signatories accept liability for its content.

Copies of this reference document are available, free of charge, from TOUAX SCA, Tour Franklin – 23rd floor – 100-101 Terrasse Boieldieu – 92042 La Défense Cedex, FRANCE, as well as on the TOUAX Internet site: www.touax.com and on the website of the French Financial Markets Authority (AMF).

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