Touax

2015 annual report

Your operational leasing solution

Your operational leasing solution

Contents

Touax

Shipping containers

N°1 in Europe

- 585,400 containers
- 49% of the revenue

Modular buildings

N°2 in Continental Europe

- 47,900 modular buildings
- 7.5% Continental European market share
- 34% of the revenue

Freight railcars

N°2 in Europe

(intermodal freight)

- 9,500 freight railcars
- 6.5% European market share
- 12% of the revenue

River barges

N°1 in Europe and South America

- 134 river barges
- 25% European market share
- 5% of the revenue

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.

With operations across five continents, TOUAX posted a revenue of €348 million in 2015, including 91% generated outside France. On December 31 2015, the Group managed over €1.8 billion in equipment for its own account as well as on behalf of both private and institutional investors.

Message from the managing partners

In 2015, TOUAX achieved revenues of €348 million, a decrease of €30 million compared to 2014.

Leasing revenues increased by €19 million with a particular increase in the Modular Buildings business of 9%. Revenues from sales to our customers is up by 35% as a result of good performance in the Modular Buildings and Shipping Containers divisions. In contrast, revenues from sales to our investors is down due to a lower volume of shipping container syndications in 2015 in a "wait and see" market context wait given the decline in steel prices.

Fabrice Walewski, Managing Partner

Raphaël Walewski, Managing Partner

The three transportation equipment leasing and sales business (Shipping containers, Freight railcars and River barges) showed a positive operating result.

TOUAX nevertheless produced a net income of -€24 million, reflecting €16.1 million of non-recurring items mainly in the Modular Buildings business, including €11.6 million of asset impairments and €4.5 million of net charges.

As a consequence of the recovery in leasing activity and higher utilisation rates, module preparation costs for their leasing grew strongly with an immediate impact on income while leasing income extends through to the term of the contracts. Furthermore, in order to accelerate the recovery of the Modular Building division, it was decided in France and the United States, to streamline our fleets of modular buildings, which has generated exceptional asset impairment.

Adjusted for these non-recurring items in 2014 and 2015, the 2015 Group operating income is stable.

During 2015 TOUAX continued its financial strategy of stabilising the level of its assets held in property and improving the leasing profitability. The Group's free cash is positive and reached €41.6 million at the end of 2015. Group debt decreased with a loan to value ratio which moved from 63% to 61%.

The assets managed by the Group continue to grow with more than €1.8 billion under management. 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. Our Freight Railcars division has therefore expanded its presence in Europe by taking over the management of 2,000 additional railcars.

“close to our customers

In 2016, our business strategy is centred primarily on regaining the profitability of our assets with a particular focus on the Modular Buildings business.

We expect to achieve a positive operating profit across the whole Group in 2016.

The initiatives undertaken to win 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.

AS THE WORLD'S 8TH BIGGEST LEASE-PROVIDER AND A EUROPEAN LEADER, 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 585,400 TEU at the end of 2015, compared with 627,000 TEU at end 2014. In 2015, 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, Zim Line, Evergreen or 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 2015, the company maintained an average utilization rate of 87.5% and increased its sales of used containers, demonstrating TOUAX’ ability to adapt to its market cycle and to optimize its fleet performance.

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 2016, 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.

Shipping containers
activity

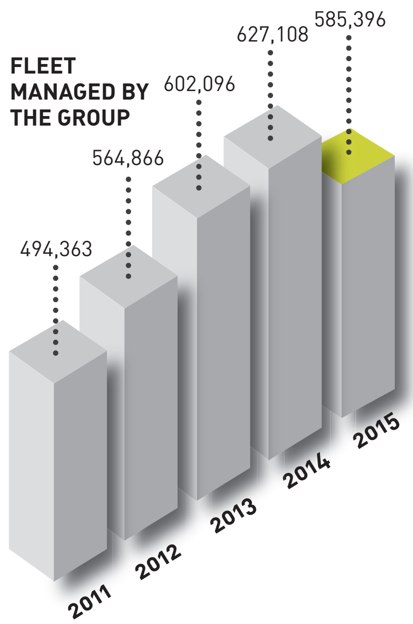
FLEET OF
585,400
TEU

30
YEARS OF EXPERIENCE

200
PARTNER DEPOTS

A steady demand

The container industry should continue growing with an estimated increase of containerized trade at 4% in 2016. Compared to the recent years, the shipping industry should also experience a better balance in 2016 between this containerized trade's growth and the new cellular capacity injected in the market, which should stabilize at 4% too.
The overall production for shipping containers reached in 2015 an estimated production of 2.5m TEUs of dry containers. Container lessors continued to support the shipping industry: 50% of containers produced in 2015 were ordered by lessors, with the other 50% 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.



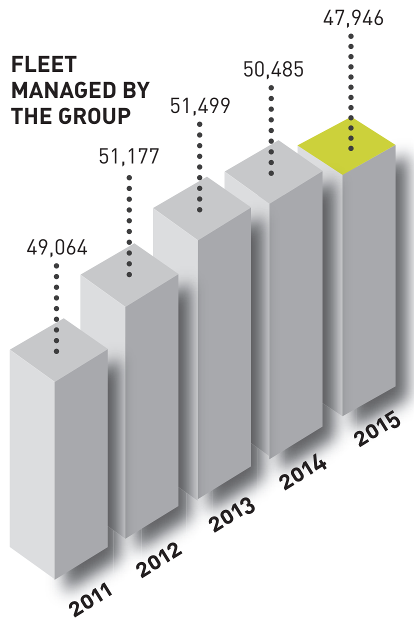
47,900
MODULAR BUILDINGS

5,000
CLIENTS

14
COUNTRIES

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

Modular buildings
activity



A comprehensive and qualitative 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 for refugees, sales offices, camps, changing rooms etc.
Our teams are able to set up on-site facilities or accommodation buildings of several thousand square meters within short lead-time.

Successful international diversification

Established in the main countries in Europe, TOUAX has continued its expansion in the African market, particularly in Morocco, Algeria and Ivory Coast, through its Moroccan factory, from where we deliver classroom or social buildings as well as site facilities for major infrastructure projects. 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 even more its global sales. TOUAX generates 76% of its revenue in the division outside France.

Keeping to our commitments

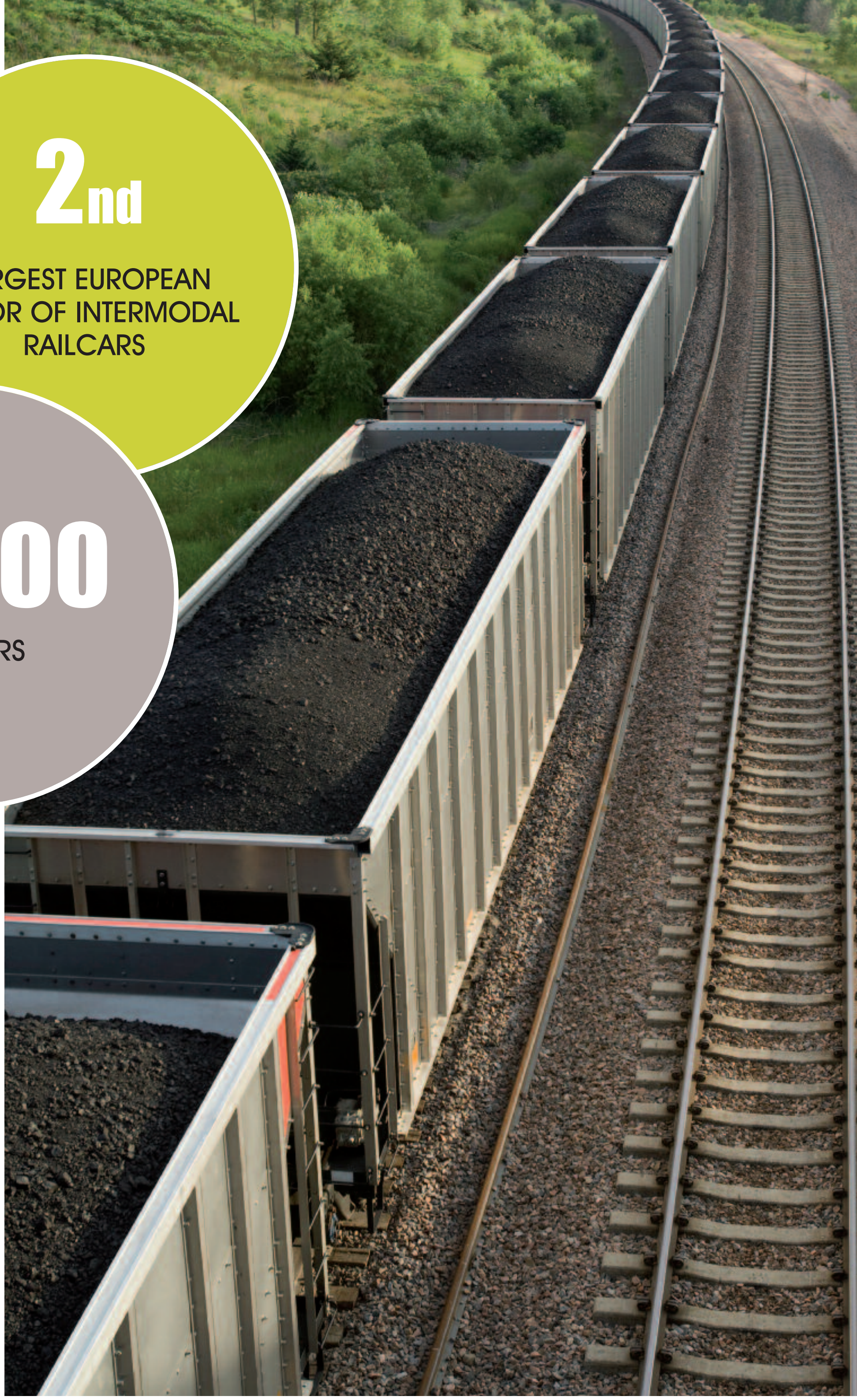
In both rentals and sales, TOUAX clients have the following reasons for choosing modular buildings:

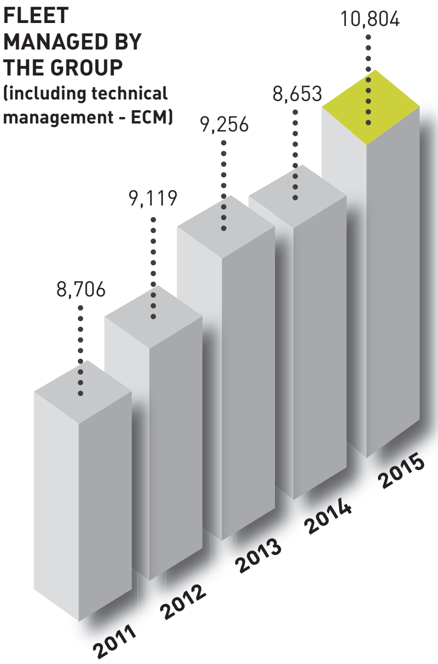
- Global cover;
- Very short lead times (8 to 10 weeks to deliver several thousand m^2);
- Very attractive prices 10 to 50% lower than for traditional buildings;
- Measurable performance concerning the quality of buildings delivered (RT2012, EnEv etc.);
- A tailored, eco-friendly offer available;
- A solution that is 100% flexible, 100% modular and 100% adaptable to our customers' needs.

PRESENT IN EUROPE THE USA AND ASIA

2nd LARGEST EUROPEAN LESSOR OF INTERMODAL RAILCARS

10,800 RAILCARS





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.

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 three areas: **in Europe** through offices located in Ireland (Western Europe zone), completed by a network of agents covering the whole of Europe, **the United States and Asia** in partnership with a local partner.
At the end of 2015 and after taking over roughly 2,000 railcars, TOUAX RAIL managed a varied range of more than 9,500 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.). Approximately 1,300 railcars are managed by our technical maintenance team (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) or also the Swiss railway companies (SBB/CFF), as well as private operators and big industrial, automotive or petrochemical groups.

The division's expansion strategy

At the end of 2015, TOUAX increased its fleet, which enables the Group to establish in the United Kingdom and strengthen its position in continental Europe. This new fleet enables TOUAX to offer a larger diversification of wagons to better serve transport and logistics operators as well as industrial customers.
In view of the need to replace the railcar fleet in Europe, 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.

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 knowledge of all aspects of the river transport chain, from construction to turnkey delivery.
TOUAX 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.

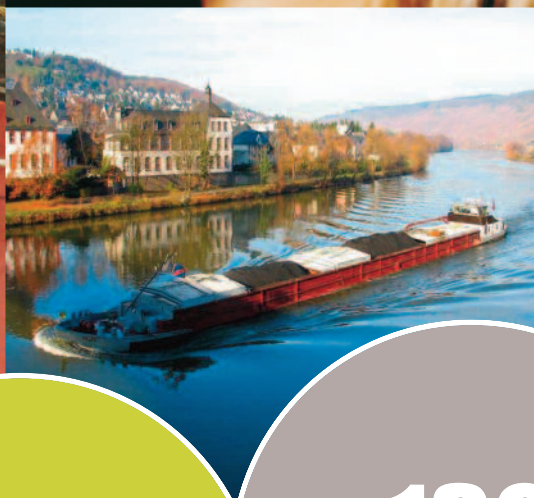
At 31 December 2015 the TOUAX Group managed a fleet of about 130 barges, and was the biggest leasing company for bulk cargo barges in Europe and South America.

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 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.

River barges
activity



1ST

BARGES LESSOR IN EUROPE AND IN SOUTH AMERICA

130

BARGES

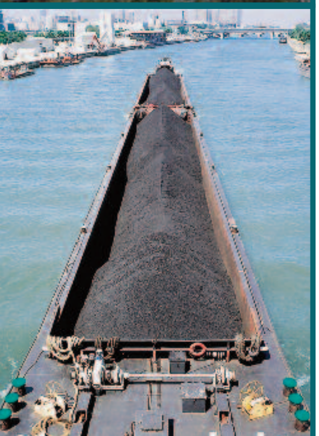
- **In South America:** TOUAX rents over 50 barges under long-term leases on the Paraná Paraguay River which crosses Uruguay, Argentina, Paraguay, Bolivia.

Prestigious customers

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

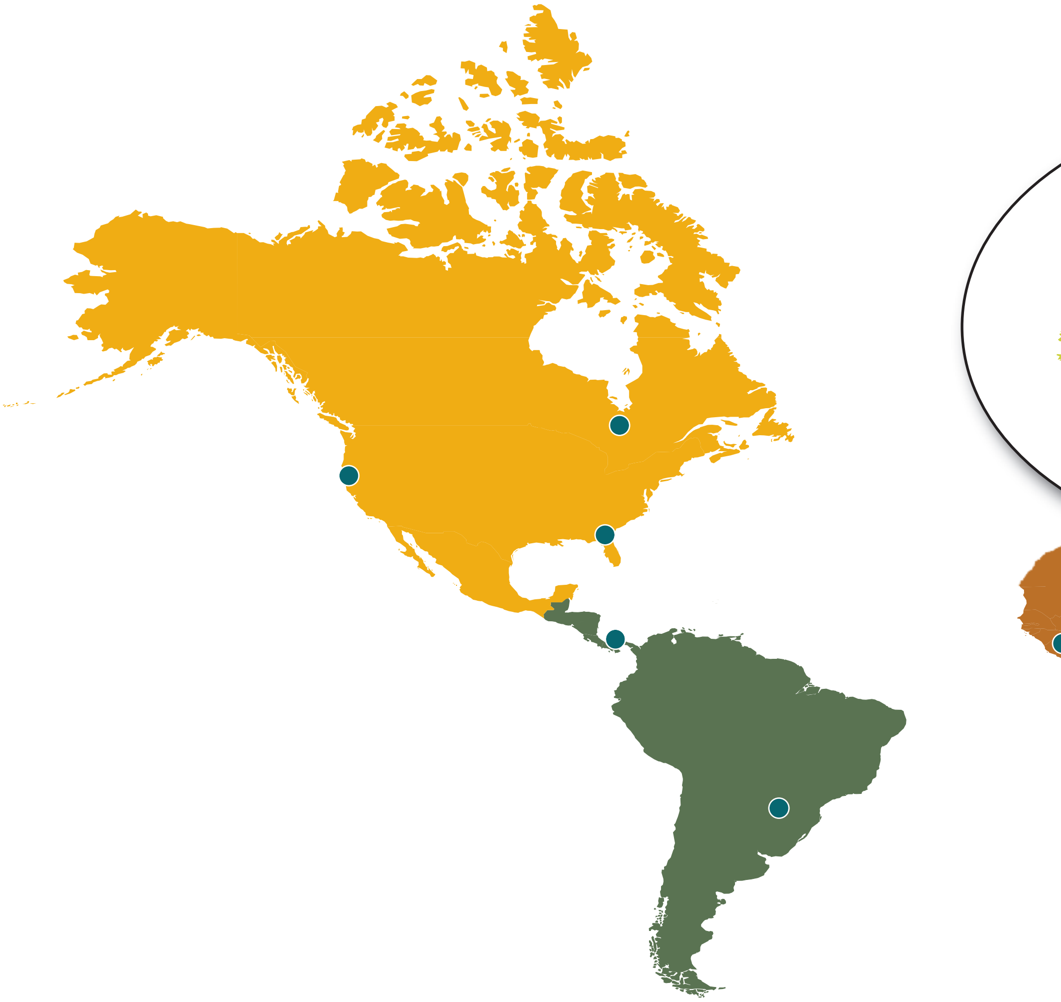
A constantly evolving market

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 CO_2 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 America and Europe.



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 worldwide

Close to our clients

Shipping containers

Northern and Central Europe region
(Bremen, administrative office in Paris)
South Europe, Africa and Middle East
(Genoa)
Northern Asia region
(Hong Kong, Shanghai)
Southern Asia region
(Singapore)
Americas region
(Miami, San Francisco and Sao Paulo)
Agents:
South Africa (Durban),
South Korea (Seoul)

Modular buildings

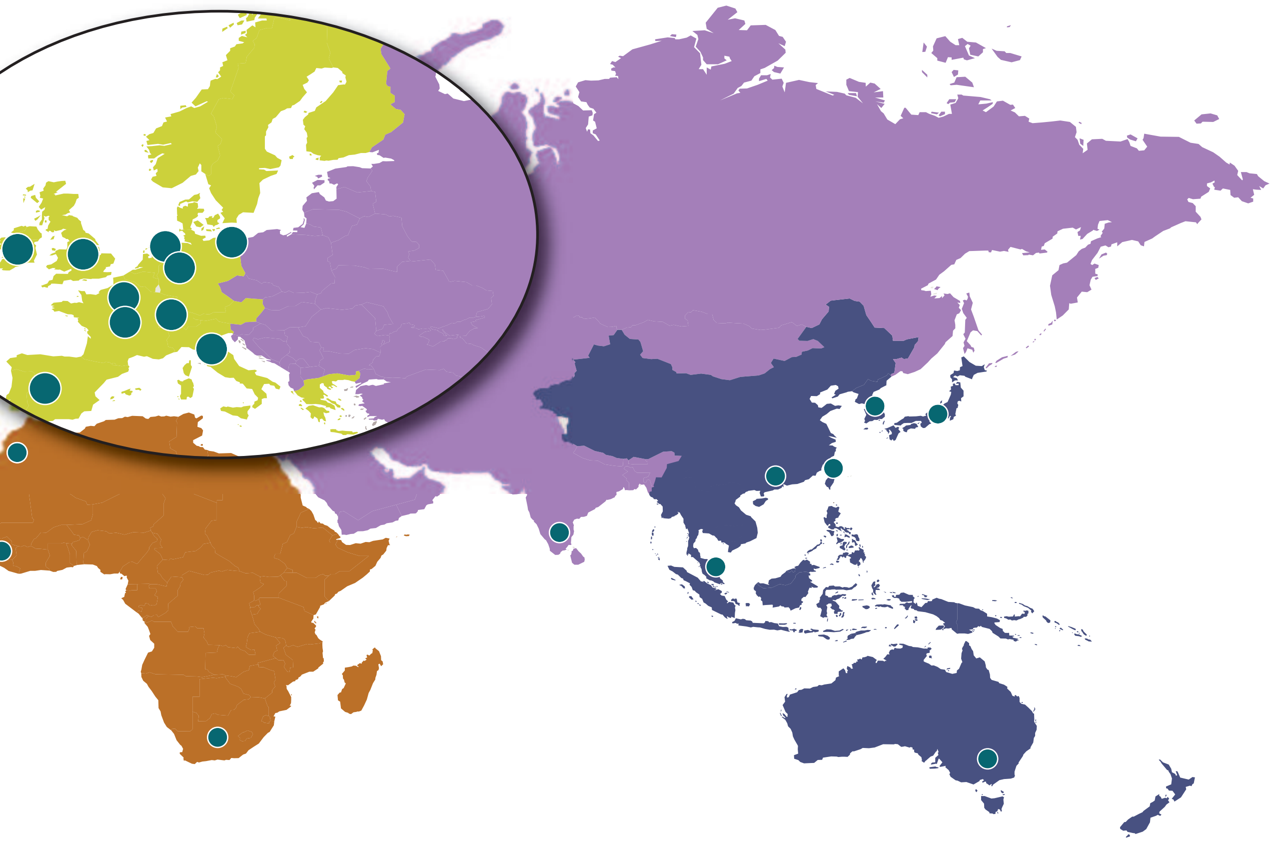
France
(8 branches, and administrative office)
Germany (7 branches)
Spain (1 branch)
United States
(Florida and Georgia) (4 branches)
Netherlands and Belgium
(2 branches)
Poland (5 branches)
Czech Republic
(2 branches, 1 factory)
Slovakia (1 branch)
Morocco (1 branch, 1 factory)
Panama (1 branch)
Algeria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

River barges

River Seine
(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
Starting of the asset management for investors

1998
Group is jointly managed by Fabrice & Raphaël Walewski

2005
Revenue exceeds **200 million euros**

2007
TOUAX begins producing modular buildings in two plants

2008
Group managed assets exceed **1 billion**, for its own account and third party
TOUAX appears in the SBF 250 index

2010
Revenue exceeds **€300 million**

2012
Expansion of the Group in the African continent

2014
Group managed assets exceed **1 billion** for third party investors

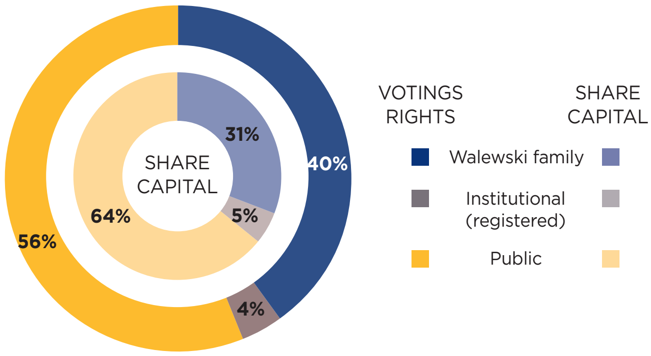
presence

Key figures and the Stock Market

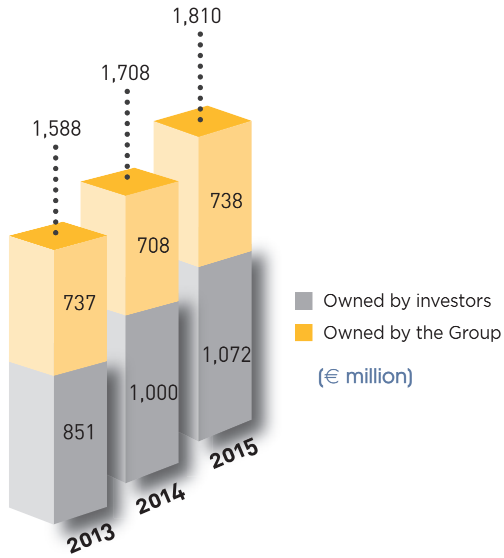
TOUAX data sheet

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

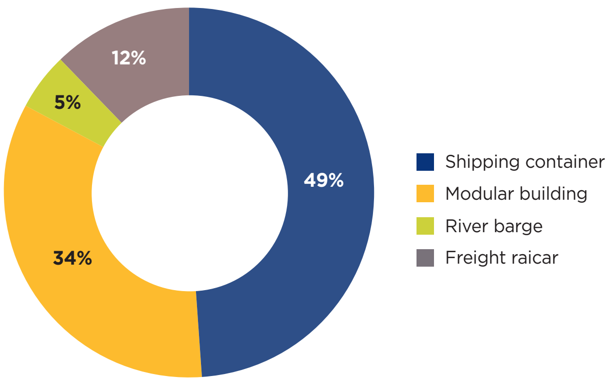
Distribution of capital and voting rights on December 31, 2015



Breakdown of managed assets



Breakdown of revenues by activity on December 31, 2015



Share price data

Year	2015	2014	2013
Maximum share price (€)	16.8	21.03	21.45
Minimum share price (€)	9.85	13.51	15.71
Share price at December 31 (€)	10.00	14.7	18.94
Total number of share at December 31	**5,883,782**	**5,883,773**	**5,883,773**

Key figures and share price ratios

Fiscal year	2015	2014	2013
Consolidated revenue (€ million)	348	379	349
EBITDA after distribution to investors (€ million)	36.2	40	50.9
Net dividend per share	0.5	0.5	0.5
Total return on the share	5%	3.4%	2.6%

SHAREHOLDERS' AGENDA

May 12, 2016
Announcement of Q1 2016 revenues

June 9, 2016
General Shareholders' Meeting

August 31, 2016
Announcement of Q2 2016 revenues and of H1 2016 results

November 14, 2016
Announcement of Q3 2016 revenues

February 22, 2017
Announcement of Q4 2016 revenues

week of March 27, 2017
Announcement and presentation of the Group's 2016 results

CONTENT

1. PERSON RESPONSIBLE

1.1. PERSON 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 140 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, 2015 is described in the auditors' reports, appearing on page 130 of this document, as well as those incorporated as a reference for the 2014 and 2013 fiscal years."

April 14, 2016

Fabrice and Raphaël WALEWSKI

Managing Partners

2. STATUTORY AUDITORS

2.1. STATUTORY AUDITORS DETAILS

	Date of first appointment	Mandate expiry
Principal Statutory Auditors		
DELOITTE & Associés Represented by M. Jean-François VIAT 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 Mrs. Brigitte GUILLEBERT 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)	2015	2014
Leasing revenue	224 975	206 189
Sales of equipment	123 265	172 502
Including sales to clients	*90 118*	*66 545*
Including sales to investors	*33 147*	*105 957*
Revenue	348 240	378 691
EBITDAR (EBITDA before distribution to investors) (1)	96 701	94 923
EBITDA (EBITDA after distribution to investors) (1)	36 227	39 976
Current operating income	(13 120)	4 097
Consolidated net profit/(loss), Group's share	(23 955)	(12 922)
Net earnings per share (€)	-4,08	-2,20

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

Key figures of the consolidated balance sheet

(€ thousands)	2015	2014
Total assets	689 506	724 560
Gross tangible assets (1)	695 704	683 882
ROI (2)	5,21%	5,85%
Total non-current assets	523 829	542 007
Shareholders' equity - Group's share	142 813	162 783
Consolidated shareholder's equity	162 778	184 692
Minority interests	19 965	21 909
Gross debt	401 244	439 106
Net debt (3)	354 499	358 020
Dividend paid per share (€)	0,5	0,5

(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 140.

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 a certain extent of 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 cultural, legal, financial and accounting differences, 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 133.

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. An adverse decision has been rendered against TOUAX and we will appeal the judge's decision.

River Barges

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. Similarly, freight railcars can make journeys across several countries, which can make it difficult to predict with certainty which jurisdiction will initiate the enforcement procedures. 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 Building and Freight Railcar businesses mainly target European customers. In 2015, the European economy looked to be in a better situation than in 2014, although it remains weak. All the sectors that we are involved in have been experiencing difficulties for many years now and had restricted their budgets or postponed their investments. The slow market recovery in Europe has led to an increase in either prices or utilisation rates but operating margins remain affected. Similarly, the recovery in Europe in the River Barges sector has still not resulted in leasing rates showing a clear increase. 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, 2015, we generated 91% 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 significantly 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 business 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 property insurance coverage is limited and is subject to large deductibles and significant exclusions and we have very limited coverage insurance or we may not have any coverage at all for damages 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 our customers 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 the number of 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 buy equipment rather than to lease 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 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 sale 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 sale 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 sale 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, which may generate storage and maintenance costs in view of their leasing 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 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. It should be noted however that the price of shipping containers has reached its lowest point since 2001, and this risk is now very theoretical.

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 in Europe went 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 in Europe. 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 modular equipment in our Modular Buildings division, as our plants produce a large portion of the equipment that we lease and sell. However, we 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 manufacture our modular buildings.

These 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 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

When there is a decrease in new equipment purchase prices, like the one currently being experienced for shipping containers since 2014, the lease rates for older, off-lease equipment are expected to decrease as well as the sales prices for secondhand equipment. 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 these trends will continue in the near-term. The reduction in the purchase price of new equipment resulting in the drop in lease rate or resale value for all equipment could harm our business, results of operations and financial condition, even if this sustained reduction in price allows 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, 2015, our leasing revenue accounted for 65% of our total revenue, while the remaining 35% of our total revenue was generated through the sales of equipment.

For the year ended December 31, 2015, the three largest customers of each of our Shipping Containers, Modular Buildings, Freight Railcars and River Barges leasing businesses, excluding third-party investors, accounted for approximately 25%, 2%, 5% and 4%, 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 equipment 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, in 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

In the Modular Building division et to a lesser extent in the other divisions, we derive a significant portion of our revenue from sales and leases to governmental entities, quasi-governmental organizations and state-owned businesses. Some of our key public sector customers include various French regional public authorities, the French Ministry of Defense, the city government of Marseille (France), the city government of Dortmund in Germany.

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, emergency housing or refugees 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 modular buildings. Furthermore, in our Freight Railcars division, we rely on third-party workshops and maintenance facilities to carry out repair and maintenance 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

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, 2015, we owned 7%, 96%, and 65% of our total fleet of shipping containers, modular buildings and freight railcars, respectively. Generally, the increase in the number of owned equipment rises accordingly our ownership risk, 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 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, 2015, 76% 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 investors 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. Our management contracts do not represent joint ventures and we do not act as partners with investors.

For the year ended December 31, 2015, one of the investors accounted for 6.3% of our total revenue, down in 2015 compared to 2014 due to a lower syndication volume. If this investor were to terminate our management contract, we may not be able to find a suitable replacement investor and may 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 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. 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 modules 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 leasing and 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 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 key executive and management team

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 have a right of retention on 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. Cost associated to the growth of the fleet 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.

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 an 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 tax audits could have some effects

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 effects 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 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 storage costs, 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 sale 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, 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 18% 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 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 29 page 108.

The list of loans containing specific clauses and commitments is mentioned in note 23.1.3 page 103 and note 29 page108 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 in note 29 page 108.

Information on currency risk and its management is provided in note 29 of the notes to the consolidated financial statements, page 108.

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, 2015, we estimate that a 10% decrease in the exchange rate of the U.S. dollar against the Euro would cause a 3% rise 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 after taking into account hedging instruments, which represented almost half 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 29 page 108.

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, through a capital increase, are exposed to a risk of dilution of their stake in TOUAX's capital. For the record, the last call-up of capital (through a capital increase) was completed in 2009 to finance growth.

Furthermore, in July 2015 the Group issued bonds redeemable in cash and new or existing shares (Convertible Bonds). The conversion of its bonds into shares could create a risk of dilution for shareholders not possessing convertible bonds.

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 29 page 108.

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.

Insurance programs reflect the nature of Group risk and are covered in accordance with standard practice in the market. The Group does not have a captive insurance company.

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.

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

Téléphone : +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, 2015 the company's capital comprised 5,883,782 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

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

Annual reports, presentations to investors, press releases 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

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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 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 USA, and emerging markets, such as Asia or Morocco.

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 2015, 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 2015, the portion of assets owned by the Group slightly increased compared with 2014.

The Group is keen to pursue growth by increasing the amount of new equipment on long-term lease agreements. In 2016, the Group will prioritize investments financed by third parties. The objective is to generate further economies of scale and restore a return on equity of 15%. The return on equity corresponds to the ratio of net profit / stockholders' equity. This is the concept usually calculated by financial analysts. 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 31 December 2015, 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.

The Group's investment policy is to finance property assets in compliance with a LTV (loan to value) of 70% maximum. This ratio is calculated by comparing the total assets (excluding intangible assets and goodwill) with gross debt. Debt is made up of recourse debt and "non recourse" debt whose reimbursement is only guaranteed with rental income or the proceeds from selling the financed assets. This type of non-recourse financing supports the Group's growth, while reducing risks for stockholders. The policy adopted by the Group is to maintain a debt-to-equity (gearing) ratio (including non-recourse debt) of 2.5 to 1. 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 2015, the economic conditions in Europe, particularly for the Modular Building and Freight Railcar businesses, showed signs of recovery and we noticed increases in leasing prices and/or utilization rates (like in Germany, Poland or Czech Republic) though certain local markets might be slower in the recovery. 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, but to a limited extent compared to 2014. Investors postponed their investments due to a wait-and-see behavior resulting in a drop of the steel price. Moreover, TOUAX always seeks to acquire fleets of existing equipment financed by third party investors

In 2015, 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	1 066	14 491	462	12 111	116	28 245
Variation in Stocks of Equipment	10 977			19 341		30 318
Sale of Capitalized Equipment (historical gross value)	-14 846	-16 717	-1 030	-5 076	-1	-37 671
Investments in capital and in stock	**-2 804**	**-2 226**	**-568**	**26 376**	**115**	**20 893**
Equipment sold to investors (finance lease)						
Gross investment in managed assets	23 299			41 780		65 078
Capitalized equipment sold to investors	7 814					7 814
Sale of Capitalized Equipment (historical gross value)	-61 596	-17 248		-22 341		-101 185
Net Investments in Managed Assets	**-30 483**	**-17 248**		**19 438**		**-28 293**
NET INVESTMENTS	**-33 286**	**-19 474**	**-568**	**45 814**	**115**	**-7 400**

In 2014, 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	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 (historical gross value)	-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**

The following non-current investments were recognized in the Group's consolidated financial statements as of December 31, 2015:

Net capital assets investments during the fiscal year *(€ thousands)*	**2015**	2014
Net investments in intangible assets	314	(641)
Net investments in tangible assets	(12 750)	(32 605)
Net investments in financial assets	3 010	(1 702)
TOTAL net investments	**(9 425)**	**(34 947)**

Breakdown by business of net capital assets investments *(€ thousands)*	**2015**	2014
Shipping Containers	(13 780)	(20 220)
Modular Buildings	(2 226)	(7 216)
River Barges	(568)	(4 635)
Freight Railcars	7 035	(3 353)
Miscellaneous	115	477
TOTAL	**(9 425)**	**(34 947)**

Methods of financing of net capital assets investments *(€ thousands)*	**2015**	2014
Cash / loans	(9 663)	(37 410)
Leasing	238	2 462
Management contract with third party investors	**(9 425)**	**(34 947)**

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

5.2.2. Principal current investments of productive assets

As of 31 January 2016, orders and investments of productive assets to third parties paid since the beginning of 2016 come to €16.1 million approximately, as of January 31, 2016, including €8.2 million in shipping containers and €7.9 million in freight railcars.

These orders and investments have been financed by cash and available credit lines.

5.2.3. Firm investment commitments of productive assets

As of 31 January 2016, firm orders and investments of productive assets to third parties as of January 31, 2016 come to €23.5 million, including €8.2 million in shipping containers and €15.3 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, 2015. 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)	**2015**		2014	
	owned by the Group*	**owned by investors outside the Group**	owned by the Group*	investors outside the Group
Shipping Containers	63 060	893 512	60 061	829 081
Modular Buildings	324 780	14 440	324 912	31 688
Freight Railcars	268 444	142 449	244 748	123 307
River Barges	81 602	21 215	78 778	16 215
TOTAL	**737 885**	**1 071 615**	**708 497**	**1 000 290**

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

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 31.1 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 8th 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.

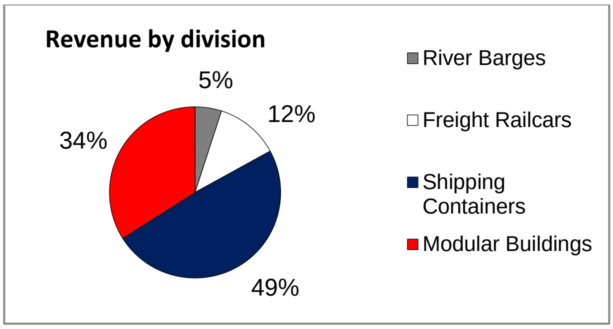
We offer a wide range of services related to our equipment, which we either own or manage for the account of third-party investors, to a variety of customers around the world, providing us with diverse and recurring revenue streams. In addition to operational leasing of equipment, we engage in financial 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.

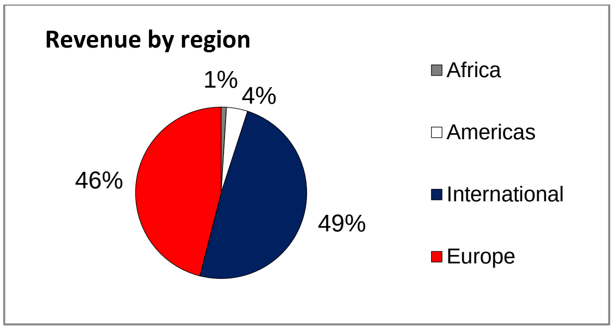
We operate a global and highly diversified business model, with four divisions operating in a total of approximately 40 countries on five continents. Our Shipping Container division revenue, which we consider to be international in nature, accounted for 49% of our total revenue for the year ended December 31, 2015. Our other divisions generated 46% of our total revenue in Europe (of which 9% was in France), 4% in the Americas and 1% in Africa.

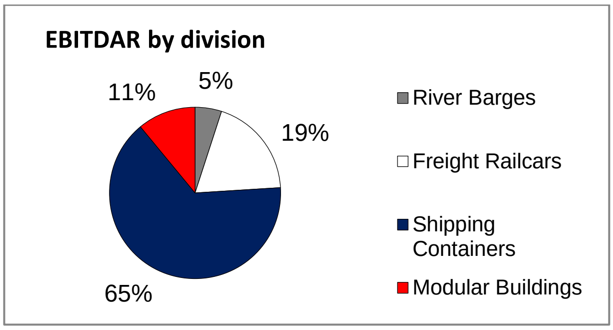
Over the years we have developed an extensive platform comprising a global network of branches, offices and depots, as well as a first-rate reputation enabling us to build long-term relationships with our customers. We serve approximately 5,000 customers worldwide in a vast range of end-markets, including 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.

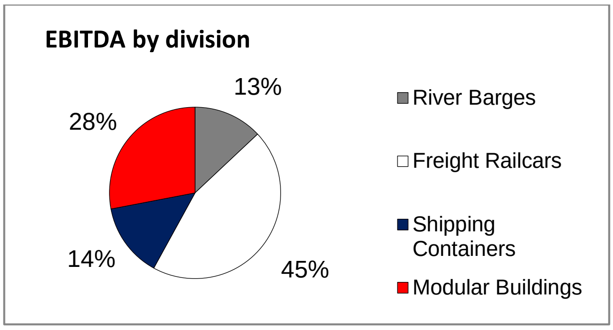
Our revenue, EBITDAR (which is our EBITDA before distributions to investors) and EBITDA for the year ended December 31, 2015 were €348.2 million, €96.7 million and €36.2 million, respectively.

Set forth below is a breakdown of our revenue by division and by geography as well as our EBITDAR (before distribution to investors) and EBITDA by division for the year ended December 31, 2015 :



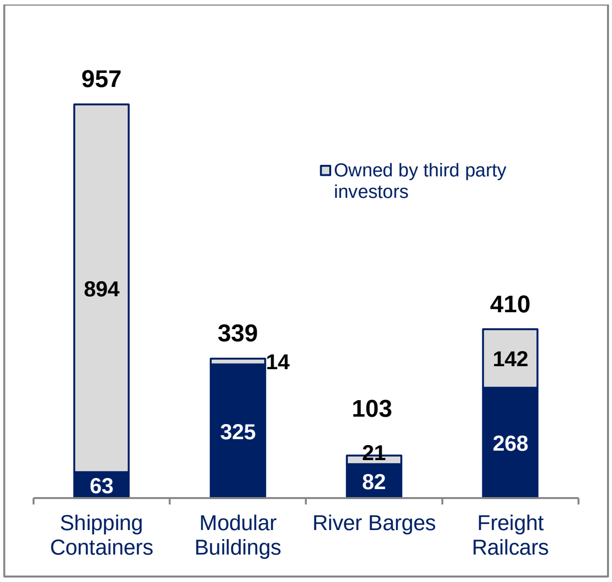






We manage a young fleet of assets with a total gross book value of approximately €1.8 billion as of December 31, 2015, which are either directly owned by us or managed by us for the account of third-party investors, comprising 585,396 TEUs of shipping containers (of which 93% were managed on behalf of third-party investors), 47,946 modular construction units (of which 4% were managed on behalf of third-party investors), 9,500 freight railcars – platforms (of which 35% were managed on behalf of third-party investors) and 134 river barges.

A breakdown of our fleet's gross book value by type of asset as of December 31, 2015 is set out in paragraph 5.2.4.

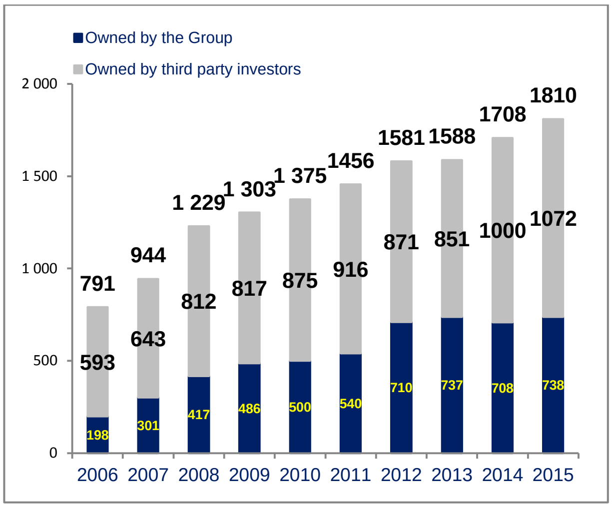


In € million

River barges under operating leases are indicated as owned by third party investors. We do not propose any asset management in the River Barges division.

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, 2015, our third-party investors owned 59% 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 2006 to 2015 is set out below:



In € million

Our diversified business model 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 we are engaged in an asset-based business, we resort to asset-backed financings to operate and grow our business. 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 8th 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 585,396 TEU, representing a gross book value of approximately €957 million as of December 31, 2015, of which 93% 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 47,946 units representing a gross book value of approximately €339 million as of December 31, 2015, of which 4% 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 9,500 units (platforms) representing a gross book value of approximately €411 million as of December 31, 2015, of which 35% 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 134 river barges, representing a gross book value of approximately €103 million as of December 31, 2015.

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. At December 31, 2015, our top 10 customers (excluding investors in our asset management programs) represented 26.2% of our total revenues.

Our operations are geographically diverse. Our shipping container revenue, which we consider to be international in nature, accounted for 49% of our total revenue for the year ended December 31, 2015. Our other divisions generated 46% of our total revenue in Europe (of which 9% was in France), 4% in the Americas and 1% 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 three different sources of revenue. Our main revenue stream consists of leasing revenue and we also sell new or second-hand equipment 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 manage a flexible and liquid asset base

We own and manage a fleet which represented as of December 31, 2015 a total gross book value of approximately €1.8 billion (of which 41% 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 8.2 years, 8 years, 18.5 years and 13.4 years, respectively, as of December 31, 2015. 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 and highly versatile equipment, thereby enabling us to meet 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.

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 assets (excluding intangible assets) below 67% since 2008, with a ratio of 61% as of December 31, 2015.

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 2008/2009 worldwide 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 in Europe, we anticipate that our Modular Buildings division will benefit from a rebound in the overall economy, even moderate, 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, 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 6 year leasing contract with a major automotive manufacturer to, with renewable terms. 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 14.2 years as of December 31, 2015.

Finally, our River Barges division's markets are also affected by international trade flows and economic conditions in the countries along the river basins in which we operate. We have focus our efforts in markets showing good outlooks in Europe and high potential demand.

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.

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 sell 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. 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 revenues 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 Supervisory Board, 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, 2015, members of the WALEWSKI family, including Alexandre, 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 business know-how and unique platforms to continue to differentiate ourselves from our competitors and to continue to grow our 4 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 of the utilization rate of our existing fleet and leasing rates, while streamlining our fleet located in some countries and limiting our 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 three other divisions, we test potential synergies by applying our asset management 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 customers. 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 have pursued a policy of increased second-hand sales and rentals in the French market mainly in order to leverage our existing fleet. In addition, our production capacity in Czech and Moroccan factories is dedicated to meet our customer needs through signed rental contract or a new sales contract, rather than producing buildings speculatively that we would add to our standby rental fleet.

We also intend to improve operational efficiency of our four divisions as well as 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 reduce our 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 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 continued to show results. Our total net debt decreased by €40.5 million in 2014 and by €3.5 million in 2015 to reach €354.5, given that the Group carries on its balance sheet assets to be sold to investors in 2016.

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 keep a balanced owned asset portfolio among the divisions based on the current market conditions. This balance in the composition of our asset base will provide us with a recurring 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. 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. Thus, in December 2015, we took over a 2,000 railcar fleet under management, in partnership with third party investors.

In addition, we believe we are well positioned to meet demand for our Modular Buildings division's products and services from our existing well located fleet. We have implemented policies among our Modular Buildings agencies to rise up utilization rates while streamlining the fleet in countries where utilization rates did not improve.

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 well-known 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 the long term in all of our four divisions, we focus our efforts mainly on our Modular Buildings division in Africa through export sales from our Czech and Moroccan factories and on 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.

* * *

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 140.

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 69. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on March 24, 2016 is provided in section 28.3 page 205.

1. Shipping Container business

Key Market Characteristics

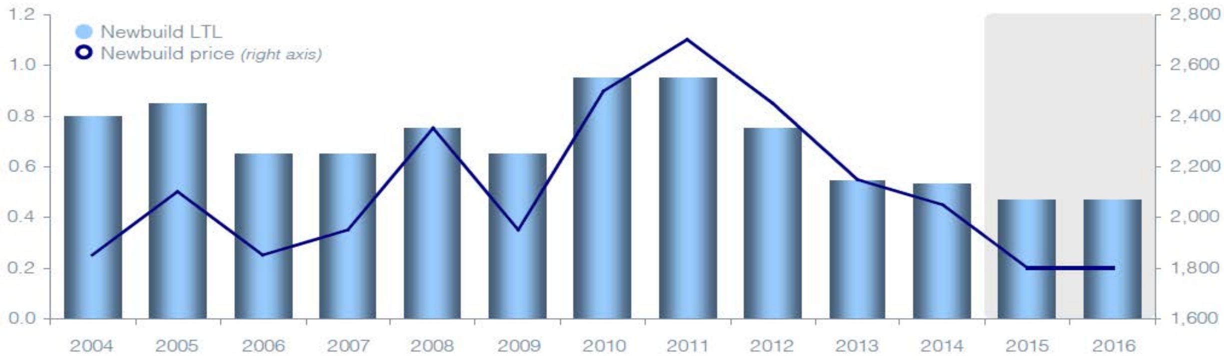
The shipping container market is by its nature international in scope. As a result, growth in the shipping container industry is tied to international trade volumes.

We believe that demand for shipping containers has been positively affected by the growth in international containerized traffic. In 2014, annual production of shipping containers was estimated to be approximately 3.5 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 36.6 million TEU by the end of 2014, though production should be lower in 2015.

Shipping lines will typically use a combination of owned containers and leased containers. It is estimated that shipping lines owned approximately 19.3 million TEU, or approximately 54% of the total worldwide shipping container fleet of 36.6 million TEU, as of the end of 2014, whereas 47% of the total worldwide shipping container fleet was managed by leasing companies. In addition, it is estimated that 57.4% of shipping containers produced in 2014 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 2014 on a historical basis and for 2015 and 2016 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 2016.

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 and are thus forced to round the Cape of Good Hope rather than take a more a direct route for intercontinental journeys. Further, even if vessels can pass through the canals (Panama and Suez), 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. Finally, the risks of piracy have led some shipowners to pass by the Cape of Good Hope rather than taking a more direct route through the Suez Canal.

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 2004 through 2018 (as from 2015 forecast data).

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 representing a major portion of the world container fleet. 2015 was marked by concentration among the containers lessors.

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. Triton and TAL merged in 2015, as well as SeaCube and Chronos.

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. We believe we are the 8th 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, 2015. Our Shipping Containers division has offices and/or representatives in 12 countries around the world.

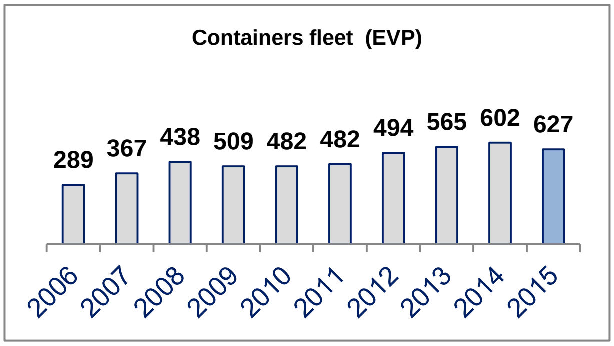
Shipping containers are highly standard, and therefore highly liquid, equipment. Containers are designed and built to meet norms set forth by the International Organization for Standardization ("ISO") and the World Customs Organization ("WCO"), among other international organizations. The industry-standard 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, 2015, our Shipping Containers division accounted for €170.6 million, or 49%, of our revenue or 14%, 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, 2015, we had a shipping container fleet of 585,396 TEU. The gross book value of our fleet was approximately €957 million as of December 31, 2015, of which 93% 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, 2006 through December 31, 2015, in thousands of TEU:



The average utilization rate for our shipping container fleet was close to 88% for the year ended December 31, 2015.

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, 2015, the average age of our shipping container fleet was 8.2 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 €104.4 million, or 61%, of our overall Shipping Containers division revenue for the year ended December 31, 2015.

- 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, 2015, the average duration of our long-term leases, including renewals and extensions, was approximately 6.5 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.
- 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.

- 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. 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.
- Sale and leaseback arrangements are sale and leaseback agreements by which we purchase fleet to shipping companies in order to lease them back.

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 management of shipping containers portfolio for private companies and other institutional investors. 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 assets in the same manner that we manage our owned assets (that is, as if the assets in the portfolio did not belong 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, 2015, our assets under management for third parties had a gross book value of approximately €894 million, accounting for 93% of the gross book value of our fleet of shipping container.

Our shipping container investors are a limited number of private companies or institutional investors. During the years ended December 31, 2013, 2014 and 2015, 44.5%, 68.3% and 66.6% respectively, of our shipping container sales 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, Trico, Interport Maintenance, Arnal, among others. Sales of equipment, which includes sales of syndicated portfolios, accounted for 39% of our Shipping Containers division revenue for the year ended December 31, 2015.

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.

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, 2015, 93% of the gross book value of our container fleet was owned by third-party investors and 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.

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, 2015, we had over than 200 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. 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, CMA CGM, Yang Ming and Hanjin Shipping, Hapag-Lloyd Container Line, K Line, Maersk, CSAV, Cosco, China Shipping and MOL and ZIM. During the year ended December 31, 2015, no single customer represented more than approximately 28% of our Shipping Containers division leasing revenue. Our ten largest customers (excluding investors in our asset management programs) represented 79% of our Shipping Containers division leasing revenue for the year ended December 31, 2015.

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 close to local demand to avoid incurring time delays and costs associated with transport. Second, building requirements and tastes can vary significantly from one country 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 countries. Generally speaking, the modular construction industry in Europe and in emerging markets, such as Africa, 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 has estimated that modular construction in France would be 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 our estimates, German construction sector represents approximately €400 million in 2015.

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 exceeds €3 trillion in 2014. The German Ministry of the Economy forecasts that GDP grew by 1.7% 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 urgent need for housing for the increasing numbers of refugees seeking residence in Germany as well as for schools and classrooms.

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 €413 billion in 2014. Market research shows that the Polish general construction industry increased in value at a compound annual growth rate of 2.2% between 2009 and 2013. 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.

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.

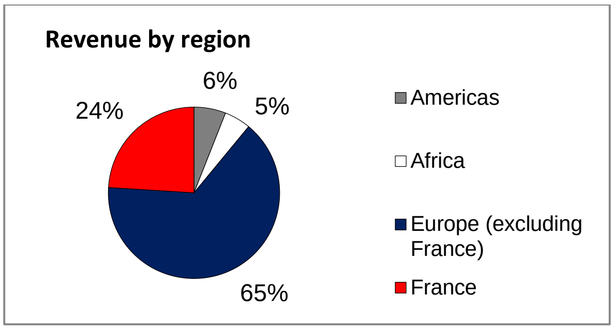
We believe that our Modular Buildings division faces competition from Algeco Scotsman, as well as more local and regional competitors, such as Portakabin, Yves Cougnaud, Loxam, Alho, Ramirent, De Meeuw, Containex and Red Sea.

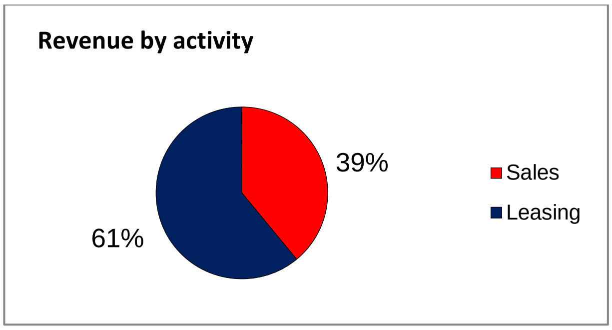
General presentation of the business

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, Algeria and Ivory Coast).

We believe we are the second largest supplier of modular building solutions in terms of presence in continental Europe with 47,946 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, 2015, our Modular Buildings division accounted for €118.9 million of our revenue and 28% 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, 2015:





Our Modular Buildings Fleet

As of December 31, 2015, our rental fleet of modular buildings consisted of 47,946 units with a gross book value of approximately €339 million, of which 4% consisted of modular buildings that we managed on behalf of third-party investors.

The table below presents the average fleet of modular construction units available for rent for the years ended December 31, 2006 to December 31, 2015.

Average fleet available for rent in terms of modular construction units

2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
23,221	26,776	34,037	39,761	44,635	47,795	49,971	51,368	50,820	**49,366**

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, 2015 was 8 years. The average utilization rate for our modular buildings rental fleet was approximately 70.2% for the year ended December 31, 2015, up by 5% compared to 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 range 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, 2015, leasing revenue accounted for €72.5 million, or 61% of our Modular Building division revenue.

Almost half of our modular building leases are contracts with a term of over 12 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 sell new modular construction units manufactured by TOUAX or purchased to third parties according to our customers' specifications. We do not engage in any syndication. We also sell second-hand modular buildings and reconditioned equipment from our leasing fleet in Europe, the United States, Panama and Morocco.

Sales of modular buildings accounted for €46.4 million, or 39%, of our Modular Buildings division revenue during the year ended December 31, 2015. Sales of second-hand modular buildings increased in 2015 as part of our strategy to adapt the size of our fleet to current market conditions, mainly in the countries where the utilization did not improve. 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. We supply our customers in Africa from our plant in Morocco, which we acquired in 2012, and which has a production capacity of approximately 4,500 units per year. 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 or for our leasing fleet to replace assets at the end of their useful life, though our investments are limited.

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 purchase units from other manufacturers for our leasing fleet, 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, mainly for the steel, which is the primary raw materials. We manage steel purchases through our centralized Group-level purchasing department.

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, 2015, we had a network of approximately 30 agencies in France, Germany, the Netherlands, Belgium, Spain, the Czech Republic, Poland, Slovakia, Morocco, Algeria, 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, 2015, we were party to approximately 4,560 modular building leasing contracts.

Our key public sector leasing customers include various French regional councils, the French Ministry of Defense, the city governments of Marseille (France), Dortmund (Germany). Our key private sector leasing customers include Total, GDF Suez, Alstom, Aventis and Safran 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, 2015, no single customer represented more than 2.4% of our Modular Buildings division revenue.

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 three geographical markets with distinct characteristics and perspectives: mainly in continental Europe and to a lesser extent in the United States and Asia.

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.

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. 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. However the significant recent falls in energy prices (oil in particular) have put a brake on the expansion of railways in the United States particularly in the aforementioned sectors.

Asia

Having been a core infrastructure in the Indian territory for over 150 years, rail transport is a key driver of socio-economic development. It also constitutes one of the main modes of transport, transporting 40% of the freight.

The creation of six lanes for freight ("Dedicated Freight Corridor") is the largest railway project ever launched by the Indian State and its national company Indian Railways, both in terms of the length of the network constructed and its cost. These new lines should connect the main ports and the Indian cities of Delhi, Mumbai, Chennai and Kolkata.

The new freight corridors (commissioning scheduled for 2017) will be able to be used by different operators, if the monopoly that Indian Railways has is indeed partially challenged.

In 2006, containerized freight was opened up to the private market and in 2010 private operators held a 25% market share.

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. AAE and VTG merged in 2015.

General presentation of the business

We lease and sell freight rail wagons to logistics companies, railway operators and industrial groups in Europe, the United States and Asia. 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, 2015, our Freight Railcars division accounted for €43.2 million, or 12%, of our revenue and 45%, of our EBITDA. 99% of the Freight Railcars division revenue is made in Europe for the year ended December 31, 2015.

Our Freight Railcars Fleet

As of December 31, 2015, our rental fleet of wagons consisted of 7,221 units with a gross book value of approximately €410.9 million, of which 35% consisted of wagons that we managed on behalf of third-party investors. The average utilization rate for our rental fleet was approximately 79% for the year ended December 31, 2015.

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, 2013, 2014 and 2015, our freight railcar rental fleet comprised 6,054 wagons (or 7,952 platforms), 5,454 wagons (or 7,349 platforms) and 7,221 wagons (or 9,500 platforms), respectively.

As of December 31, 2014 and 2015, in addition to our 7,349 platforms and 9,500 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, 2015 was 18.5 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, the United States and Asia. We also provide services related to our leased fleet, such as maintenance services. Leasing and related services accounted for €32.9 million, or 76%, of our overall Freight Railcars division revenue for the year ended December 31, 2015.

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, 2015, the average term of our leases was approximately 2.7 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, 2015, our Freight Railcars division had assets under management for third parties with a gross book value of approximately €142.4 million, or 35% 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 of our subsidiary SRFRL, a joint venture with DVB Bank SE incorporated 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%. We also syndicate our railcars through a TOUAX Rail Finance 3 joint venture, in which we hold a 26% share, with the latter being used to finance a fleet of 2,000 railcars purchased at the end of December 2015.

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 €10.3 million, or 23.8%, of our Freight Railcars revenue for the year ended December 31, 2015.

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 new equipment for use in our Freight Railcars division unless we have signed a lease or sale 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.

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, 2015, 35% of the gross book value of our railcar fleet was owned by third-party investors and 65% 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, 2015, no single Freight Railcars leasing customer represented more than approximately 12% of our Freight Railcars leasing division revenue. Our ten largest Freight Railcars leasing customers represented approximately 66% of our Freight Railcars leasing division revenue for the year ended December 31, 2015.

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, harvests, 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, the economic slowdown in the region as well as the decline in prices of certain raw materials has led to a decrease in the requirements for barges.

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.

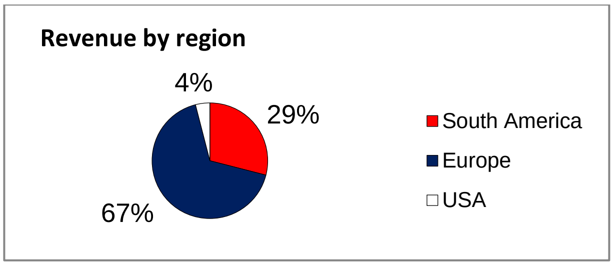
General presentation of the business

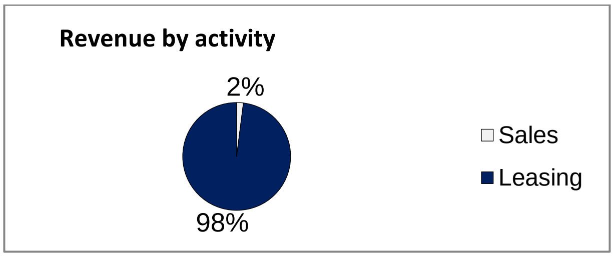
We lease and sell river barges to logistics companies and industrial groups in Europe, the United States and South America. We believe that we are the leading operational leasing company for bulk cargo barges in Europe and South America. Our barges operate along the Seine, Rhine and Danube river basins 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, 2015, our River Barges division accounted for €16.4 million, or 5% of our revenue or 13% of our EBITDA.

The charts below shows a breakdown of our River Barges division revenue for the year ended December 31, 2015 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, 2015, our fleet of river barges consisted of 123 units (excluding chartered barges) with a gross book value of approximately €82 million. The average age of our river barge fleet as of December 31, 2015 was 13.4 years. The average utilization rate for our barge fleet was 94.9% for the year ended December 31, 2015.

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. 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, 2015, leasing and related services accounted for €16 million, or 98% 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, 2015, the average term of our river barge leases was approximately 6.7 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, 2015, trading and sales accounted for almost nil to €0.4 million.

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.

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, 2015, no single customer represented more than 33% of our River Barges division leasing revenue.

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 of direct or indirect capital holding of these entities by TOUAX SCA.

The list of all the Group's consolidated subsidiaries is on note 2.2 page 87 of the notes to the consolidated financial statements.

TOUAX SCA, mother company	Country	Percentage held by parent	Company purpose
TOUAX Corporate SAS	**France**	**100%**	**Service Company**
TOUAX UK Ltd	**United Kingdom**	**100%**	**Service Company**
Shipping Containers business			
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
Modular Buildings business			
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 do Brazil	Brazil	100%	Sale of modular buildings
TOUAX Modular Building USA, Llc	USA	100%	Leasing and sale of modular buildings
TOUAX MAROC SARL	Marocco	51%	Sale of modular buildings
RAMCO SARL	Marocco	51%	Leasing of modular buildings
Touax Industrie Modulaire Algérie	Algéria	25%	Sale of modular buildings
Freight Railcars business			
TOUAX Rail Ltd	**Ireland**	**100%**	**Leasing and sale of railcars**
TOUAX Texmaco Railcar Leasing Pte	India	39,0%	Leasing of railcars
CFCL TOUAX Llc	USA	51%	Leasing and sale of railcars
River Barges business			
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
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.

Mainly in the Modular Buildings and River Barges businesses, each subsidiary owns its proprietary assets for leasing and sale. In the Shipping Containers and Freight Railcars businesses, assets are owned by financing special purpose vehicule (SPV) and managed by a servicer company.

The management duties 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 187.

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.

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The figures relating to significant parent-subsidiary relationships (other than regulated agreements) are as follows for the 2015 fiscal year

Services provided *(€ thousands)*	**IT and management costs**	**Interest received on loan**
Shipping container division	225	1 089
Modular building division	1 817	4 464
Freight railcar division	675	2 100
River barge division	577	569
Corporate	1 421	

Services received *(€ thousands)*	**Interest payable on advances**
Shipping container division	2 860
Modular building division	
Freight railcar division	
River barge division	774
Corporate	66

The guarantees and other commitments granted by TOUAX SCA as of December 31, 2015 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 31.12.2015
	2015					
	Before 2015	63 902	441	8 374	7 298	16 113
TOUAX Solutions Modulaires SAS		**63 902**	**441**	**8 374**	**7 298**	**16 113**
	2015					
	Before 2015	77 183	185	19 634	2 231	22 049
SIKO Containerhandel Gmbh		**77 183**	**185**	**19 634**	**2 231**	**22 049**
	2015					
	Before 2015	35 922		17 032	4 603	21 635
TOUAX River Barges SAS		**35 922**		**17 032**	**4 603**	**21 635**
	2015					
	Before 2015	18 284		6 599	321	6 920
TOUAX Sp.zo.o		**18 284**		**6 599**	**321**	**6 920**
	2015					
	Before 2015	3 141		1 753		1 753
TOUAX Leasing Corp		**3 141**		**1 753**		**1 753**
	2015					
	Before 2015	6 044			400	400
TOUAX Modular Building USA, llc		**6 044**			**400**	**400**
	2015					
	Before 2015	11 481		4 811	525	5 336
GOLD Container Corp		**11 481**		**4 811**	**525**	**5 336**
	2015	238		164		
	Before 2015	3 886	1 388			1 388
TOUAX Sro		**4 124**	**1 388**	**164**		**1 552**
	2015					
	Before 2015	26 013	5 511	16 655		22 167
TOUAX Hydrovia Corp.		**26 013**	**5 511**	**16 655**		**22 167**
TOTAL OF GRANTED GUARANTEES		**246 094**	**7 525**	**75 022**	**15 378**	**97 925**

The subsidiaries of TOUAX SCA are described in the table of subsidiaries and shareholdings in the note 26.5 of the appendix to the company financial statements.

The Group's two major subsidiaries in terms of revenue are TOUAX Container Leasing Pte Ltd, a Singaporean company and TOUAX Rail Ltd, an Irish company.

TOUAX Container Leasing Pte Ltd is a shipping container leasing business serving almost all of our customers throughout the world and it manages the TOUAX container fleet. Its business is significant in view of the large amount of equipment for leasing. TOUAX Rail Ltd manages the railcar fleet for the entire division in Europe, its main market. Its business was significant in 2015.

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 (€29.2 million) or intangible fixed assets (€1.1 million) compared with tangible fixed assets (€483 million), financial leasing receivables (€4 million) and inventory (€54.6 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.

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 169.

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 140.

9.2. Operating income

The operating income is analyzed in the management report in section 26.1 page 140.

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 in note 23 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 69 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 note 23.1.1 page 102 with details on the liquidity and for the interest rate risks in note 29 page 108.

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 23.1.3 of the notes to the consolidated financial statements, page 103.

The cash and cash equivalents balances shown on the Group's balance sheet on December 31, 2015 include €23 million in cash that is not available for the Group's daily cash management. €5.5 million of this amount corresponds to contractual restrictions on liquidity transfers linked to bank covenants, and €9.4 million to the cash-flow of companies not 100% owned and €7.7 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 5.2.4 page 35.

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 140 and in the presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on March 24, 2016 is provided in section 28.3 page 205.

12.2. Known trends, uncertainties, requests, any commitments or events quite likely to significantly affect the current fiscal year

Global growth for the year 2015 equalled 3.1%. Economic activity was marked by falling prices for commodities, reduced capital exchanges, some financial volatility and significant liquidity provided by major central banks.

Prospects for 2016 depend on the success of the rebalancing of the Chinese economy, changes to commodity prices and international monetary policy. The International Monetary Fund (IMF) has estimated global growth at 3.2% in 2016 and 3.5% in 2017.

Growth prospects for developing economies stand at 4.8% according to the World Bank or 4.1% according to the IMF, taking into account the economic slowdown in China and Brazil. The drop in oil prices has contradictory impacts, namely positive for developed economies resulting from higher purchasing and consumer power, and negative for importing countries, weakening them in their recovery or their domestic demand. As for developed economies, estimated growth stands at 1.9% for 2016 (IMF), as in 2015, with relatively resilient activity in the United States and an increase in private consumption.

The volume of world trade is expected to increase by around 2.8% in 2016, as in 2015, while growth is expected to accelerate in 2017 to 3.6%. According to the World Trade Organisation, trade growth will remain moderate in 2016 due to uncertainties about global demand.

More generally, the sluggish demand in emerging countries will weigh on global growth. In this context, developed countries are likely to continue their flexible monetary policy while continuing their efforts to consolidate public finances and are expected to make structural reforms. The situations are different in developing countries and directors will seek to manage their own vulnerability.

Transport businesses (containers, railcars and barges) benefit from worldwide geographical diversification and different cycles. TOUAX expects an improvement in utilisation rates. In Europe more specifically, we are seeing a resumption of activity related to various factors, including for the Modular Buildings and Railcars divisions. The Group is continuing its international expansion, particularly in Africa and Asia. A presentation of the Group's outlook explained at the Financial Analyst Meeting on 24 March 2016 is given in section 28.3 page 205.

13. PROFIT FORECASTS OR ESTIMATE

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 187.

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 187.

15. COMPENSATION AND BENEFITS

15.1. COMPENSATION OF CORPORATE OFFICERS

15.1.1. Compensation of the Managing Partners

The compensation 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 187.

Table summarising the remuneration, options and shares attributed to each managing partners *(€ thousands)*	**2015**	2014
Raphaël WALEWSKI - Managing Partner		
Compensation due for the fiscal year	**519,5**	469,2
Value of options allotted during the fiscal year		
Value of performance shares allotted during the fiscal year		
TOTAL	**519,5**	469,2
Fabrice WALEWSKI - Managing Partner		
Compensation due for the fiscal year	**509,2**	426,5
Value of options allotted during the fiscal year		
Value of performance shares allotted during the fiscal year		
TOTAL	**509,2**	426,5

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)*	2015		2014	
Raphaël Walewski Managing Partner	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary and directors' fees	210,7	210,7	194,9	194,9
Variable compensation	181,1	141,6	200,0	127,2
Exceptional compensation				
Isolation bonus	164,2	164,2	143,2	143,2
Payments in kind	3	3	3,9	3,9
TOTAL	**559,0**	**519,5**	**542,0**	**469,2**
	2015		**2014**	
Fabrice Walewski Managing Partner	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary and directors' fees	210,7	210,7	193,4	193,4
Variable compensation	181,1	154,7	200,0	123,6
Exceptional compensation				
Isolation bonus	140,8	140,8	103,5	103,5
Payments in kind	3	3	6	6
TOTAL	**535,6**	**509,2**	**502,9**	**426,5**

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 2015 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	2015	2014
Jérôme Bethbeze	Supervisory Board Member	Attendance fees	12,1	9,8
Jean-Jacques Ogier	Supervisory Board Member	Attendance fees	9,0	9,0
Aquasourça	Supervisory Board Member	Attendance fees	6,6	7,5
François Soulet de Brugière	Supervisory Board Member	Attendance fees	9	8,2
Sophie Servaty	Supervisory Board Member	Attendance fees	8,3	9,0
Alexandre WALEWSKI	Chairman of the Supervisory Board	Attendance fees	18,0	18,0
TOTAL ATTENDANCE FEES			**63**	**61,5**
($ thousands)				
Alexandre WALEWSKI	Chairman of the Supervisory Board	other compensation	192,7	192,7
TOTAL OTHER COMPENSATION			**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 187.

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 2014 and 2015.

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 2015 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 187.

16.2. Relates party agreements

Related party agreements are listed in the Managing Partners' report on page 140 and included in the Statutory Auditors' report in section 20.4.3 page 131.

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 187.

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 187.

17. Employees

17.1. Breakdown of the workforce

The breakdown of the workforce by geographic location and business segment as of December 31, 2015 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Corporate		TOTAL	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Europe	23	15	611	543	9	13	50	34	34	39	727	644
Asia	10	11									10	7
Africa			96	102							96	92
Americas	8	4	40	31	1	1			3	3	52	24
TOTAL	**41**	30	**747**	676	**10**	14	**50**	34	**37**	42	**885**	796

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 65 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 at 31 December 2015, and the share held by each Managing Partner.

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 12/31/2015 by:	
- Fabrice WALEWSKI	
- Raphaël WALEWSKI	
- Alexandre WALEWSKI	
- Top 10 employees	83 260
- Others (employees/public)	1 103 851
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 price (1)	32,91 €
Number of subscribed financial instruments	32 072
Total number of cancelled or void financial instruments	208 145
Exchange rate	4 warrants for 1.096 share
Number of financial instruments remaining to be exercised on 12/31/2015	**1 187 111**
Potential capital in number of shares	325 268

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

Redeemable stock warrants have been cancelled on 8 March 2016, at their expiration date.

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 2015, 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, 2015

	Number of shares	% of share capital	Number of voting rights	% of voting rights	double voting rights
Alexandre WALEWSKI	551 822	9,38%	551 829	7,99%	14
Société Holding de Gestion et de Location	631 660	10,74%	1 097 578	15,90%	931 836
Société Holding de Gestion et de Participation	645 966	10,98%	1 125 767	16,31%	959 602
Majority group Total	**1 829 448**	**31,09%**	**2 775 174**	**40,20%**	**1 891 452**
Zenlor*	306 535	5,21%	306 535	4,44%	
Public - registered securities	126 973	2,16%	201 046	2,91%	148 146
Public - bearer securities	3 620 826	61,54%	3 620 826	52,45%	
TOTAL	**5 883 782**	**100,00%**	**6 903 581**	**100,00%**	**2 039 598**

** 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 40.20% of the voting rights on 31 December 2015.

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.

On July 8, 2015 Sofina declared that it had crossed the threshold of 25% and 20% of the company's voting rights downwards to reach TOUAX 19.17% voting rights still holding 22.37% of the share capital.

The concert WALEWSKI, consisting of Alexandre WALEWSKI the company Société Holding de Gestion et de Location and the company Société Holding de Gestion et de Participation has increased its voting rights, initially between 30% and 50%, by more than 1% in less than twelve consecutive months, which has generated a public offer obligation under Article 234-5 of the general regulations. By a decision of the French Stock Exchange authority (AMF) dated 2 September 2015 the concert WALEWSKI was granted exemption, upon the mandatory filing of a public offer with the latter resulting from a decrease in the number of voting rights of TOUAX SCA whose origin was not due to the applicants.

By a declaration dated 17 September 2015, the company Société Holding de Gestion et de Location and the company Société Holding de Gestion et de Participation have respectively indicated that they have crossed upwards the 15% threshold of TOUAX SCA voting rights. The thresholds were crossed following a decrease in the total number of voting rights of TOUAX SCA due to the transfer of TOUAX SCA shares to which double voting rights were previously attached. On this occasion, the concert made up of Mr. Alexandre WALEWSKI and the companies SHGP and SHGL did not cross any threshold.

By a declaration dated 14 October 2015, SOFINA company declared that it had fallen below the threshold of 20% of the capital for a total of 18.39% of the capital of TOUAX SCA, with SOFINA holding 15.67% of the voting rights.

By a declaration dated 18 December 2015, SOFINA company declared that it had fallen below the thresholds of 15%, 10% and 5% of both the capital and voting rights, with SOFINA declaring a 4.67% stake in TOUAX SCA and 3.98% of the voting rights.

By a declaration dated 22 October 2015, ZENLOR company declared that it had gone above the threshold of 5% of the capital for a total of 5.21% of the capital of TOUAX SCA and 4.44% of the voting rights.

By a declaration dated 11 October 2016, QUAERO CAPITAL company, on behalf of the Argos Funds fund, declared that it had gone above the threshold of 5% of the capital for a total of 5.02% of the capital of TOUAX SCA and 4.32% of the voting rights.

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

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

Breakdown in shares

As of December 31, 2015, 33.3% of the shares issued by TOUAX SCA were registered, and the remainder shares were non-registered shares. 94.2% 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. On December 31, 2015, there were 55 registered stockholders.

During the last Combined General Meeting on June 11, 2015, the chairman received 9 proxies, 23 stockholders sent an appointed person as their proxy or sent postal voting forms and 29 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	31/12/2015		31/12/2014		31/12/2013	
	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*
Alexandre WALEWSKI	9,38%	7,99%	9,38%	7,46%	9,38%	8,67%
SHGL	10,74%	15,90%	10,74%	14,81%	10,74%	13,60%
SHGP	10,98%	16,31%	10,98%	15,21%	10,98%	13,84%
TOTAL of the majority group	**31,09%**	**40,20%**	**31,09%**	**37,48%**	**31,09%**	**36,11%**
Treasury shares	0,22%	0,19%	0,12%	0,09%	0,06%	0,05%
SOFINA			23,22%	25,96%	23,22%	21,46%
Zenlor	5,21%	4,44%				
Public (registered and non registered)	63,48%	55,17%	45,57%	36,47%	45,63%	42,38%
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 2015, 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, 2015 this alliance held 31.09% of the stock and 40.20% of the voting rights.

A change of control requires, therefore, a change in the composition of both general partners and limited partners.

The Supervisory Board provides ongoing supervision of the management of Managers but cannot intervene in the management of the company.

The Group is committed to complying with the governance rules recommended by the Middlenext Code and even goes further with a majority of independent members on the Supervisory Board.

The General Partners cannot participate in the vote regarding the appointment of members of the Supervisory Board at the annual general meeting.

Finally, the Supervisory Board produces a report on the conduct of company affairs and on the financial statements at the Annual General Meeting.

18.4. Treasury stock

As of December 31, 2015, the company held 12,831 treasury shares, i.e. 0.22 % of the capital. These shares were acquired following the stock redemption program decided by the Combined General Meeting of June 11, 2015, 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 2015 fiscal year, 94,560 shares were purchased and 88,594 shares sold under the liquidity agreement, the sole aim being to buoy the market and ensure the liquidity of TOUAX securities.

The transactions are summarized in the following table:

Declaration by TOUAX SCA of transactions in own shares on February 29, 2016	
Percentage of the share capital held directly or indirectly	0.14%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	8,217
Book value of the portfolio (€)	69,406.14
Market value of the portfolio (€)	73,459.98

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 stock redemption program submitted for authorization by the General Meeting of June 9, 2016 is set in the Managing Partners' report in section 26.1 page 140.

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 Market Solutions 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 Market Solutions – 6, avenue de Provence – 75009 PARIS, 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 30 page 112 (see the Statutory Auditors' report on regulated agreements and commitments, section 20.4.3 page 131).

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).

note n°	Consolidated income statement presented by function at December 31 (€ thousands)	2015	2014*
	Leasing revenue	224 975	206 189
	Sales of equipment	123 265	172 502
	TOTAL REVENUE	**348 240**	**378 691**
	Capital gain (loss) on disposals	172	172
4	**Revenue from ordinary activities**	**348 412**	**378 863**
	Cost of sales	(105 913)	(157 363)
	Operating expenses	(116 715)	(97 859)
	Selling, general and administrative expenses	(29 083)	(28 718)
	GROSS OPERATING MARGIN (EBITDAR)	**96 701**	**94 923**
9	Depreciation, amortization and impairments	(46 988)	(36 013)
	OPERATING INCOME before distribution to investors	**49 713**	**58 910**
10	Net distributions to investors	(60 474)	(54 946)
	CURRENT OPERATING INCOME	**(10 761)**	**3 964**
11	Other revenues (expenses), net	(2 359)	134
	OPERATING INCOME	**(13 120)**	**4 098**
	Interest income	164	205
	Interest expense	(15 706)	(17 509)
	Net interest expense	**(15 542)**	**(17 304)**
	Other financial income (expenses), net	160	(421)
12	**NET FINANCIAL EXPENSE**	**(15 382)**	**(17 725)**
	Profit (loss) of investments in associates	117	
	PROFIT BEFORE TAX	**(28 385)**	**(13 627)**
13	Income tax benefit (expense)	1 372	423
	NET INCOME OF CONSOLIDATED COMPANIES	**(27 013)**	**(13 204)**
	Income from discountinued activities		
	CONSOLIDATED NET INCOME (LOSS)	**(27 013)**	**(13 204)**
	Including portion attribuable to :		
	non controlling interests (Minority interests)	3 058	283
	owners of the parent company	**(23 955)**	**(12 921)**
14	**Net earning per share (euro)**	**(4,08)**	**(2,20)**
14	**Diluted net earnings per share (euro)**	**(4,08)**	**(2,20)**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

Consolidated income statement presented by function at December 31 note n°	(€ thousands)	2015	2014*
	REVENUE	**348 240**	**378 691**
	Capital gain (loss) on disposals	172	172
4	**Revenue from ordinary activities**	**348 412**	**378 863**
5	Other purchases and external charges	(210 221)	(253 064)
6	Staff costs	(35 051)	(32 316)
7	Other operating revenues & expenses	(842)	(5 241)
	GROSS OPERATING PROFIT	**102 298**	**88 242**
8	Operating Provisions	(5 597)	6 681
	GROSS OPERATING MARGIN (EBITDAR)	**96 701**	**94 923**
9	Depreciation, amortization and impairments	(46 988)	(36 013)
	OPERATING INCOME before distribution to investorts	**49 713**	**58 910**
10	Net distributions to investors	(60 474)	(54 946)
	CURRENT OPERATING INCOME	**(10 761)**	**3 964**
11	Other revenues (expenses), net	(2 359)	134
	OPERATING INCOME	**(13 120)**	**4 098**
	Interest income	164	205
	Interest expense	(15 706)	(17 509)
	Net interest expense	**(15 542)**	**(17 304)**
	Other financial income (expenses), net	160	(421)
12	**NET FINANCIAL EXPENSE**	**(15 382)**	**(17 725)**
	Profit/ (loss) of investments in associates	117	
	PROFIT BEFORE TAX	**(28 385)**	**(13 627)**
13	Income tax benefit (expense)	1 372	423
	NET INCOME OF CONSOLIDATED COMPANIES	**(27 013)**	**(13 204)**
	Income from discountinued activities		
	CONSOLIDATED NET INCOME (LOSS)	**(27 013)**	**(13 204)**
	Including portion attributable to :		
	non controlling interests (Minority interests)	3 058	283
	owners of the parent company	**(23 955)**	**(12 921)**
14	**Net earnings per share**	**(4,08)**	**(2,20)**
14	**Diluted earnings per share**	**(4,08)**	**(2,20)**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

Comprehensive income statement for the year *(€ thousands)*	2015	2014*
Consolidated net income (loss)	**(27 013)**	**(13 204)**
Other items of comprehensive income, net of taxes		
Translation adjustments	8 306	10 085
Translation adjustments on net investment in subsidiaries	508	147
Profits and losses on cash flow hedges (effective part)	(281)	756
Tax on comprehensive income	55	(23)
Total items that may be subsequently reclassified to profit or loss	**8 587**	**10 965**
including non-controlling interests (minority interest)	(54)	930
including holders of the parent company	8 641	10 035
Net income for the financial year attribuable to		
including non-controlling interests (minority interest)	(3 058)	(283)
including holders of the parent company	(23 955)	(12 921)
	(27 013)	**(13 204)**
including non controlling interests (minority interest)	(3 112)	647
including holders of the parent company	(15 314)	(2 886)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(18 426)**	**(2 239)**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

Consolidated balance sheet at December 31			
note n°	*(€ thousands)*	2015	2014*
	ACTIF		
15	Goodwill	29 208	28 725
16	Intangible assets	1 106	1 126
17	Rental equipment & other property plant & equipment, net	483 038	504 590
18	Long-term financial assets	4 093	2 706
18	Equity investment	2 867	
18	Other non-current assets	3 248	4 810
13	Deferred tax assets	269	50
	TOTAL non-current assets	**523 829**	**542 007**
19	Inventory and work-in progress	54 623	36 749
20	Trade receivables, net	50 849	50 717
21	Other current assets	13 460	15 170
22	Cash and cash equivalents	46 745	79 917
	TOTAL current assets	**165 677**	**182 553**
	TOTAL ASSETS	**689 506**	**724 560**
	LIABILITIES		
	Share capital	47 070	47 070
	Hybrid capital	50 161	50 161
	Reserves	69 537	78 473
	Profit (loss) for the fiscal year, Group's share	(23 955)	(12 921)
	Equity attributable to the owners of the parent company	**142 813**	**162 783**
	Non controlling interests (minority interests)	19 965	21 909
24	**Consolidated shareholders' equity**	**162 778**	**184 692**
23	Loans and borrowings	331 854	313 191
13	Deferred tax liabilities	7 461	9 911
26	Employee benefits	410	266
27	Other long-term liabilities	3 105	1 508
	TOTAL passifs non courants	**342 830**	**324 876**
25	Provisions	2 706	1 173
23	Loans and borrowings	69 390	125 915
23	Trade payables	32 395	28 249
28	Other current liabilities	79 407	59 655
	TOTAL current liabilities	**183 898**	**214992**
	TOTAL LIABILITIES	**689 506**	**724 560**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

Changes in consolidated shareholders' equity

(€ thousands)	Share capital (2)	Premiums (2)	Consolidated reserves	Conversion reserve	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 interest (Minority interests)	TOTAL shareholders'equity
Position on January 1, 2014*	**47 070**	**32 228**	**99 829**	**(6 260)**	**(548)**	**(15 303)**	**157 016**	**27 549**	**184 565**
Revenue (charges) recognised directly in shareholders' equity				9 668	367		**10 035**	929	**10 964**
Comprehensive income for the year						(12 921)	**(12 921)**	(283)	**(13 204)**
TOTAL charges and revenue recognised				**9 668**	**367**	**(12 921)**	**(2 886)**	**646**	**(2 240)**
Repayment of shareholders' equity								(4 178)	**(4 178)**
Repurchase of 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)**
Hybrid capital issuance			19 182				**19 182**		**19 182**
Coupons of hybrid capital			(4 060)				**(4 060)**		**(4 060)**
Change in the scope of consolidation			(2)				**(2)**		**(2)**
Miscellaneous			(27)				**(27)**		**(27)**
Treasury shares			(73)				**(73)**		**(73)**
AT DECEMBER 31, 2014*	**47 070**	**32 228**	**93 178**	**3 408**	**(181)**	**(12 921)**	**162 783**	**21 909**	**184 692**
Position on January 1, 2015	**47 070**	**32 228**	**93 178**	**3 408**	**(181)**	**(12 921)**	**162 783**	**21 909**	**184 692**
Revenue (charges) recognised directly in shareholders' equity				8 681	(40)		**8 641**	(54)	**8 587**
Comprehensive income for the year						(23 955)	**(23 955)**	(3 058)	**(27 013)**
TOTAL charges and revenue recognised				**8 681**	**(40)**	**(23 955)**	**(15 314)**	**(3 112)**	**(18 426)**
Capital increase								1 586	**1 586**
Repayment of shareholders' equity								(3 223)	**(3 223)**
General Partners' statutory compensation			(400)				**(400)**		**(400)**
Appropriation of the 2014 net result			(12 921)			12 921			
Dividends								(350)	**(350)**
Issuance of hybrid capital								2 967	**2 967**
Coupons of hybrid capital			(4 039)				**(4 039)**		**(4 039)**
Change in the scope of consolidation								188	**188**
Miscellaneous			(132)				**(132)**		**(132)**
Treasury shares			(85)				**(85)**		**(85)**
AT DECEMBER 31, 2015	**47 070**	**32 228**	**75 602**	**12 089**	**(221)**	**(23 955)**	**142 813**	**19 965**	**162 778**

(1) The effective part of the cash flow hedge on interest rate instruments is recognised in shareholders' equity.

(2) including redeemable warrants and stock options.

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

	Consolidated cash flow statement at December 31 (€ thousands)	2015	2014*
	Consolidated net income/ (loss) (including Minority interests)	(27 013)	(13 204)
	Profit (loss) of investments in associates	(117)	
	Depreciation and amortization	49 073	35 085
	Change in deferred taxes	(2 803)	(1 622)
	Capital gains & losses on disposals	(3 752)	(6 736)
	Other non-cash income (expense), net	74	208
	Self-financing capacity after cost of net financial debt & tax	**15 462**	**13 731**
	Net interest expense	15 614	17 304
	Income tax paid	1 433	1 199
	Self-financing capacity before cost of net financial debt & tax	**32 509**	**32 234**
	Income Tax paid	(1 433)	(1 199)
A	Change in working capital (excluding change in inventory)	19 152	12 452
B	Change in inventory	(30 210)	3 636
C	Change in working capital related to rental equipment purchases	17 604	(16 079)
	Purchase of rental equipment	(22 196)	(20 467)
	Proceeds from sale of rental equipement	25 021	44 609
	Net impact of finance leases granted to customers	1 178	1 896
	Sub-total	(8 603)	13 595
	I - CASH FLOW FROM OPERATING ACTIVITIES	**41 625**	**57 082**
	Investing activities		
	Acquisition of PPE and intangible assets	(1 829)	(1 629)
	Acquisition of equity interests	(2 750)	
	Net change in financial fixed assets	(1 438)	(194)
	Proveeds from sale of property plant and equipment	192	1 494
	Change in the scope of consolidation		
	II - CASH FLOW FROM INVESTING ACTIVITIES	**(5 825)**	**(329)**
	Financing transactions		
	Receipts from borrowings	46 011	35 364
	Repayments of borrowings	(87 841)	(60 581)
	Net change in borrowings	**(41 830)**	**(25 217)**
	Net increase in shareholders' equity (capital increase)	1 385	15 001
	Interest expense	(15 614)	(17 304)
	Dividends to shareholders of TOUAX SCA	(2 938)	(2 919)
	Dividends to minority shareholders	(350)	(2 108)
	General Partners' statutory compensation	(400)	(509)
	Payment of coupons of hybrid capital	(4 039)	(4 060)
	Net sale (acq.) of warrants		
	Net sale (acq.) of treasury shares	(85)	(77)
	III - CASH FLOW FROM FINANCING ACTIVITIES	**(63 871)**	**(37 193)**
	Effect of exchange rate fluctuations	2 795	3 862
	IV -CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS	**2 795**	**3 862**
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	**(25 276)**	**23 422**
	Analysis of cash flow		
	Cash position at start of year	70 179	46 757
	Cash position at start of year	**44 903**	**70 179**
	CHANGE IN NET CASH POSITION	**(25 276)**	**23 422**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

	(€ thousands)	2015	2014
	Decrease / (increase) in trade receivables	(30 210)	3 636
B	**Change in inventory**	(30 210)	3 636
	Decrease/ (increase) in trade receivables	2 854	204
	Decrease/ (increase) in other current assets	4 762	2 570
	(Decrease)/ increase in trade payables	3 277	(643)
	(Decrease)/ increase in other liabilities	8 260	10 321
A	**Change in Working Capital excluding change in inventory**	**19 152**	**12 452**
	Decrease/ (increase) in receivables/ fixed assets	11	(7)
	(Decrease)/ increase in liabilities/ fixed assets	17 593	(16 072)
C	**Change in Working Capital for investment**	**17 604**	**(16 079)**

The net change in cash presented in the cash flow statement corresponds to the change in cash and cash equivalents included on the balance sheet after deducting bank overdrafts. The amount of bank overdrafts at 31 December 2015 totalled €1.8 million.

Cash flows linked to financing operations show a dividend payment of €2.9 million while the table of changes in shareholders' equity does not state this since this sum was allocated to the previous financial year as an interim dividend.

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 "Fixed assets" are cash flows resulting from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows resulting 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 rental receivables are presented 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**

On 2 July 2015 TOUAX SCA ("TOUAX") launched an issuance of bonds convertible into Cash and/or New and/or existing Shares (Convertible Bonds) to mature on 10 July 2020 ("Bonds") for an initial nominal amount of approximately €20 million. Since the issue was oversubscribed, the nominal amount of the latter was increased to approximately €23 million following the exercise in full of the extension clause by the Company in accordance with the Global Coordinators and Joint Lead Managers.

TOUAX SCA undertook refinancing for €67.5 million of corporate credit lines. This financing, maturing in 2019, consists of a revolving line and a term repayment loan. These new lines created an opportunity for TOUAX to adjust its financial covenants more suited to its business of renting fixed assets (loan to value, overall gearing ratio, interest coverage ratio and minimum EBITDA).

The subsidiary TOUAX Rail Ltd. took over management of a fleet of about 2,000 railcars in Europe, previously held by GE Rail Services GmbH, GE Capital Rail Services Limited and GE Capital Rail Limited. This transaction strengthens the position of Touax Rail Ltd in Europe with a fleet of about 10,500 railcars (platforms). This operation covers freight railcars, which are complementary to the railcars already managed by TOUAX, which include hopper railcars for the transportation of aggregates, railcars for the transport of steel coils, intermodal railcars for containers and road trailers, open railcars and curtain-sided railcars for the transport of palletised products. TOUAX Rail Limited will also act as an entity in charge of the certified maintenance. The railcars are acquired and financed by a consortium of investors, through the company TRF3. The financing of the acquisition debt was issued by ING Bank NV and DVB Bank SE acting as mandated arrangers as well as ING Bank as agent and securities agent.

- **Post-balance sheet events**

none

NOTE 1. ACCOUNTING RULES AND METHODS

note 1.1. BASES FOR PREPARING AND PRESENTING THE ANNUAL FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015

Approval of the financial statements

The annual financial statements to 31 December 2015 and the associated notes were approved by the TOUAX SCA Management Board on 23 March 2016 and presented to the Supervisory Board on 24 March 2016.

Accounting rules and methods

In pursuance of Regulation No. 1606/2002 adopted on 19 July 2002 by the European Parliament and the European Council, the consolidated financial statements of the TOUAX Group for the 2015 financial year were prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) on 31 December 2015 and adopted by the European Union, on the date the accounts were closed.

Change in the presentation

None.

New standards, amendments and interpretations adopted by the European Union and which must be applied from 1 January 2015

The new standards and applicable interpretations, on a mandatory basis, becoming effective on 1 January 2015, relate mainly to the IFRIC 21 interpretation "Levies".

The IFRIC 21 interpretation "Levies" specifies the procedures for recognising, on the liabilities balance sheet, any taxes and duties falling within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In particular it specifies the accounting orders to be applied to these debits and generally relies for this on their perfectly legal generator.

At Group level, the application of this interpretation has mainly led the modification, at each interim reporting date, the rate of recognition as a result of two taxes in force in France and previously recorded on a pro rata basis: property tax, the corporate social solidarity contribution (C3S).

The impacts of IFRIC 21 on the consolidated balance sheet of 31 December 2014 have little significance (decrease in consolidated reserves of approximately €136,000 after tax).

Standards and interpretations adopted by the IASB but not yet applicable on 31 December 2015

The Group does not anticipate that any of the new standards and interpretations listed below may be relevant to it and the application of which is not mandatory on 1 January 2015:

- IFRS 15 "Revenue from contracts with customers";
- IFRS 9 "Financial Instruments";
- Amendments to IAS 16 and IAS 38 "Clarifications on acceptable depreciation methods";
- Amendments to IFRS 11 "Accounting for acquisition of an interests in a joint operation";
- Amendments to IAS 1 "Improving Disclosures to provide in appendices";
- Amendments to IAS 19 "Defined benefit plans; employee contributions ";
- Annual Improvements, 2010-2012 and 2012-2014 cycles.

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. The analyses will be finalised in 2016.

General evaluation principles

note 1.2. USE OF ESTIMATES

Drawing up financial statements in accordance with IFRS standards has led management to make 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 fixed 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.

The **IFRS 10 standard** "Consolidated Financial Statements" is replacing standard IAS 27 as well as 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, income 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.

The list of companies included in the consolidation is given below in 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 Shareholders' Equity.

Exchange rate : Currency = 1 euro

Exchange rates of the main currencies	Closing rate		Average rate	
	2015	2014	2015	2014
Swiss Franc (CHF)	1,0835	1,2024	1,0679	1,2146
Czech Koruna (CZK)	27,023	27,7350	27,2792	27,5359
Polish zloty (PLN)	4,2615	4,2623	4,1841	4,1842
US Dollar (USD)	1,0887	1,2141	1,1095	1,3285
Moroccan dirham (MAD)	10,812	11,002	10,8117	11,1598
Brasilian real (BRL)	4,3117	3,2207	3,7004	3,1211
Pound sterling (GBP)	0,7339	0,7789	0,7258	0,8061
Indian rupee (INR)	72,0215	76,719	71,1956	81,0406

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.

Currency gains/losses arising from a monetary component, which is essentially an integral part of the net investment in a consolidated foreign subsidiary, are booked under shareholders' equity (under the item "conversion reserves") until the net investment has been sold or liquidated.

note 1.5. ACCOUNTING OF THE SECURITIZATION TRANSACTIONS OF ASSETS AND HOLDING 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.

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

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 hold 300 railcars and 211 railcars respectively.

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.

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 31 December 2015.

note 1.6. GOODWILL

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 company acquired 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 company acquired, revalued by 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 ASSETS

Computer software depreciation and the development expenses which are included among Intangible 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 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. FIXED ASSETS

note 1.8.1. VALUATION AT COST NET OF AMORTIZATION AND IMPAIRMENT

Except when acquired as part of a company takeover, fixed assets are booked at their acquisition or production cost. Gains resulting from intra-group transfers and revaluations due to mergers are eliminated in the consolidated accounts. 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” (fixed assets) requires that an asset’s main components with a useful lifetime shorter than that of the fixed asset itself should be identified so as to be depreciated over its own useful lifetime.

The component approach is particularly applicable to the River Barges and Freight Railcars businesses. In the River Barges business, the purchase price of the pushers is divided between hull and propulsion. In the Freight Railcars business, the railcars are divided between the railcar itself and the revisions.

note 1.8.3. AMORTIZATION

Amortization is calculated using the straight-line method over the asset’s useful lifetime. Land is not depreciated.

Shipping containers are depreciated over 13 years 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 railcars are reviewed according to a timetable specified by the European standards. By incorporating European standard VPI, revisions of railcars are amortized over a period of 3, 6, 9 or 12 years depending on the type of revision.

Useful lifetimes for assets acquired new are in the following brackets:

- Shipping containers ("dry" type) 13 years
- Modular buildings 20 years
- River barges (barges and pushers) 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 Fixed and Intangible 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, the appearance of impairment factors specific to certain assets may be such that they provoke and justify a depreciation of those assets

The cash generating units in the Group are:

- The Shipping Containers business as a whole,
- The Freight Railcars business as a whole (considering that the US business is not significant),
- The River Barges business on each basin (Mississippi, Paraná-Paraguay, Seine/Danube, Rhine),
- The Modular Buildings business in each country (USA, France, Morocco/Africa, Germany, Poland, Czech Republic/Slovakia, Benelux, Spain, Panama)

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 analysed 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 note 1.21.6).

Assets managed by the Group on its own account are booked under 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 note 1.8). 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 Containers and Freight Railcars divisions, and to a lesser extent in the Modular Buildings 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 FOR RISKS AND CHARGES

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. PENSION AND SIMILAR LIABILITIES

The Group's pension and other retirement commitments consist only of severance payments for its French companies' employees, corresponding to, within the scope of standard 19 "Employee benefits" defined benefits schemes. 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

Standard IFRS 2 “Share-based Payment”, imposes the evaluation of transactions remunerated by payment in shares and similar in the company's income 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.

Benefits are booked under staff costs and spread over the acquisition period of the entitlements with a counter-entry in the form of an increase in Shareholders’ Equity.

note 1.16. LONG-TERM NON-CURRENT LIABILITIES

Other long-term liabilities concern those portions of liabilities other than borrowings and financial debts 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 these same contracts.

note 1.17. TREASURY STOCK

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

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: within its assets, the Group records assets held as finance leases in which it acts as a lessor;
- current Financial Assets including trade receivables and other operating receivables, 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 accounted for 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 income: Fair values are determined in most cases by reference to listed market prices. Fair values are determined in most cases by reference to listed market prices.

- **Loans and receivables**

In the Group, this category includes long-term loans and trade and other receivables. 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. Cash flows expected from short-term assets are not updated.

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.

note 1.18.4. GROUP'S EXPOSURE TO CURRENCY RISK AND INTEREST RATE RISK – FINANCIAL DERIVATIVES

In 2015, the Group signed forward currency contracts (maturing in 2016) in order to hedge debts in US Dollars, 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 booked directly to net financial income.

note 1.18.5. BONDS CONVERTIBLE INTO CASH AND/OR NEW AND/OR EXISTING SHARES (ORNANE)

The TOUAX Group has issued bonds convertible into cash and/or new and/or existing shares (ORNANE) maturing on 10 July 2020. The nominal unit value of the Bonds has been set at 18 Euros, showing a premium of 25% compared to the reference price of the TOUAX share on the NYSE Euronext in Paris. The amount of the issue is €22,999,986 Euros represented by 1,277,777 Bonds. The bonds will bear interest at an annual nominal rate of 6%, payable six-monthly in arrears on 10 January and 10 July of each year and for the first time on 10 January 2016. The bonds were issued at par on 10 July 2015 and will be redeemed at par on 10 July 2020. Bondholders have a right to the allocation of shares exercisable with effect from 10 July 2015 until the eighteenth trading day prior to 10 July 2020.

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 6 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 PROFITS

Deferred taxes are recognized (without discounting) 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. INCOME AND EXPENSES OF ORDINARY ACTIVITIES

note 1.21.1. INCOME FROM ORDINARY ACTIVITIES: DIFFERENT 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. RECORDING AND RECOGNITION OF INCOME AND EXPENSES LINKED TO THIRD-PARTY ASSET MANAGEMENT CONTRACTS CONCLUDED BY THE GROUP

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 organisation enables the pooling of revenues and expenses of equipment grouped in the same pool, governed within the scope of the management contract. These management contracts do not constitute joint ventures.

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).

In compliance with the requirements of IAS 18, the Group must determine if it is acting as principal or agent in the provision of goods or services to a customer.

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 the applicable 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 utilisation 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 recognised 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 correspond 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 Purchase cost of Sales" in the function-classified Income Statement. Equipment bought and not yet resold is accounted for under end-of-period stocks (see appendix to the consolidated financial statements, note 1.11) Transfers of finance lease receivables are also included in Sales of equipment.

- **Recognition of revenue from container sales to investors**

Revenues from sales of equipment to investors is recognised in its entirety if the criteria of IAS 18 are met. Thus, if the Group has the advantages and risks associated with the acquisition of these containers before resale to investors, the Group has the capacity of principal and records the sale in revenues. In the case of the Group making a concurrent purchase-resale transaction, the Group has the capacity of agent and only registers a commission.

The transfer of ownership at the time of purchase from the factory/suppliers is effective at the time of the issue of two certificates of conformity produced by experts commissioned by the Group. These certificates allow the Group to take delivery of these assets. Assets can be leased to customers canvassed by the Group or remain in the factory depots for a limited period.

The sale to the investor takes place at the end of a contract, its invoicing and its payment. The Group considers that the transfer of ownership to the investor takes place at the time of payment by the latter, because there is no physical delivery of these containers to the investor, since the Group ensures its operation and management to third party customers.

note 1.21.5. OPERATING PROVISIONS

This item mainly records further allocations to and drawings from provisions for bad 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 recognised under net distributions to investors, in accordance with asset-management industry practice.

note 1.21.7. OTHER OPERATING INCOME AND EXPENSES

Significant, unusual or infrequent elements are presented separately in the income statement under other operating income and expenses. As an example, this section includes goodwill impairment, acquisition costs of the equity investments, variations in the fair value of the additional amounts included in the prices agreed when acquiring stock and restructuring costs.

note 1.22. OPERATING INCOME

Operating income is the difference between pre-tax income 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 businesses.

The Group is in the business of providing operating leases on standardised 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 31 December 2015, the containers may be in ports of over a hundred 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 categorised in the international zone. This presentation is consistent with the practices of the shipping container industry.

NOTE 2. SCOPE OF CONSOLIDATION

note 2.1. CHANGES IN THE SCOPE OF CONSOLIDATION

Number of consolidated companies	2015	2014
French companies	8	8
Foreign companies	41	38
TOTAL	**49**	**46**
Of which included in consolidation perimeter	4	3
Of which included the merger of TCM in TSM	-1	

TOUAX Panama was incorporated at the beginning of the year, in order to develop the modular buildings business in Panama. This company is 100% owned by TOUAX River Barges and is consolidated using the method of global integration.

TOUAX Modular Industry Algeria was incorporated during the 1st half of 2015 in order to develop our activities in the Modular Buildings division on the African continent. This company is 49% owned by TOUAX Africa which itself is 51% owned by the TOUAX Group. This company is consolidated using the method of global integration pursuant to IFRS 10. TOUAX Africa holds some double voting rights in this new entity.

TOUAX Module Asset entity was incorporated in the 2nd half of 2015.

During the second half of 2015, the TOUAX Group through its subsidiary TOUAX Rail Ltd acquired a 26.19% share in the company TOUAX Rail Finance 3. This transaction enabled an establishment in the UK and a strengthening of the position of the Railcars division in continental Europe. This company is consolidated according to the Equity method of accounting.

note 2.2. LIST OF COMPANIES CONSOLIDATED IN 2015

Company name	Activity	Geographical zone	Percentage of control	Equity percentage	Method of consolidation
TOUAX SCA	Holding, parent company	Europe			
TOUAX CAPITAL SA	Services	Europe	99,99 %	99,99 %	IG*
TOUAX CORPORATE SAS	Services	Europe	100 %	100 %	IG*
TOUAX UK LIMITED	Services	Europe	100 %	100 %	IG*
GOLD CONTAINER Corporation	Shipping containers	North America	100 %	100 %	IG*
GOLD CONTAINER FINANCE Llc	Shipping containers	North America	100 %	100 %	IG*
GOLD CONTAINER Investment Ltd	Shipping containers	Asia	100 %	100 %	IG*
TOUAX CONTAINER Leasing Pte Ltd	Shipping containers	Asia	100 %	100 %	IG*
TOUAX CONTAINER LEASE RECEIVABLES Corp	Shipping containers	North America	100 %	100 %	IG*
TOUAX CONTAINER SERVICES SAS	Shipping containers	Europe	100 %	100 %	IG*
TOUAX CORP	Shipping containers	North America	100 %	100 %	IG*
TOUAX EQUIPMENT LEASING Corp	Shipping containers	North America	100 %	100 %	IG*
TOUAX FINANCE Inc.	Shipping containers	North America	100 %	100 %	IG*
TOUAX CONTAINER FINANCING Pte LTD	Shipping containers	Asia	100 %	100 %	IG*
TOUAX SOLUTIONS MODULAIRES SAS	Modular buildings	Europe	100 %	100 %	IG*
TOUAX SRO	Modular buildings	Europe	100 %	100 %	IG*
TOUAX SK SRO	Modular buildings	Europe	100 %	100 %	IG*
TOUAX Africa SAS	Modular buildings	Europe	51 %	51 %	IG*
MODUL FINANCE I SNC	Modular buildings	Europe	0 %	0 %	IG*
TOUAX Maroc Capital SARL	Modular buildings	Africa	100%	51 %	IG*
TOUAX MAROC SARL	Modular buildings	Africa	100%	51 %	IG*
RAMCO SARL	Modular buildings	Africa	100%	51 %	IG*
TOUAX COTE D'IVOIRE SARL	Modular buildings	Africa	100%	51 %	IG*
TOUAX INDUSTRIE MODULAIRE ALGERIE	Modular buildings	Africa	52,99%	24,99%	IG*
TOUAX ASSETS BV	Modular buildings	Europe	100 %	100 %	IG*
TOUAX MODULAR BUILDING USA Llc	Modular buildings	North America	100 %	100 %	IG*
SIKO CONTAINERHANDEL GmbH	Modular buildings	Europe	100 %	100 %	IG*
TOUAX Sp.z.o.o	Modular buildings	Europe	100 %	100 %	IG*
TOUAX BV	Modular buildings	Europe	100 %	100 %	IG*
TOUAX MODULE ASSET SARL	Modular buildings	Europe	100 %	100 %	IG*
TOUAX ESPANA SA	Modular buildings	Europe	100 %	100 %	IG*
TOUAX NV	Modular buildings	Europe	100 %	100 %	IG*
TOUAX PANAMA S.A.	Modular buildings	South America	100 %	100 %	IG*
TOUAX DO BRASIL LTDA	Modular buildings	South America	99,99 %	99,99 %	IG*
CFCL TOUAX Llc	Freight railcars	North America	51%	51 %	IG*
SRF RAILCAR LEASING Ltd	Freight railcars	Europe	51%	51 %	IG*
TOUAX RAIL Ltd	Freight railcars	Europe	100 %	100 %	IG*
TOUAX RAIL FINANCE Ltd	Freight railcars	Europe	100 %	100 %	IG*
TOUAX RAIL FINANCE 2 Ltd	Freight railcars	Europe	100 %	100 %	IG*
TOUAX RAIL FINANCE 3 Ltd	Freight railcars	Europe	26,19%	26,19%	MEE**
TOUAX RAIL INDIA Ltd	Freight railcars	Europe	78,03%	78,03%	IG*
TOUAX RAIL ROMANIA SA	Freight railcars	Europe	57,50 %	57,50 %	IG*
TOUAX TEXMACO RAILCAR LEASING Pte Ltd	Freight railcars	Asia	50,00%	39,02%	IG*
CS DE JONGE BV	River barges	Europe	100 %	100 %	IG*
EUROBULK TRANSPORTMAATSCHAPPIJ BV	River barges	Europe	100 %	100 %	IG*
TOUAX RIVER BARGES SAS	River barges	Europe	100 %	100 %	IG*
TOUAX LEASING Corp	River barges	North America	100 %	100 %	IG*
TOUAX ROM SARL	River barges	Europe	99,99 %	99,99 %	IG*
TOUAX HYDROVIA Corp	River barges	South America	100 %	100 %	IG*

* Full consolidation

** Equity method

NOTE 3. SEGMENT INFORMATION

note 3.1. INCOME STATEMENT BY DIVISION

2015 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	**TOTAL**
Leasing revenue	104 411	72 508	16 041	32 909	12 638	(13 532)	224 975
Sales of equipment	66 185	46 393	399	10 320		(31)	123 265
TOTAL REVENUES	**170 595**	**118 901**	**16 440**	**43 229**	**12 638**	**(13 563)**	**348 240**
Capital gain (loss) on disposals		37			135		172
Income from ordinary activities	**170 595**	**118 937**	**16 440**	**43 229**	**12 773**	**(13 563)**	**348 412**
Cost of sales	(61 971)	(38 912)	(174)	(4 887)		31	(105 913)
Operating expenses	(36 568)	(60 171)	(7 521)	(13 039)	45	538	(116 715)
Selling, general and administrative	(9 455)	(9 398)	(4 000)	(7 417)	(11 808)	12 994	(29 083)
GROSS OPERATING MARGIN	**62 602**	**10 456**	**4 745**	**17 887**	**1 010**		**96 701**
Depreciation, amortization and impairments	(2 974)	(30 092)	(3 476)	(9 899)	(547)		(46 988)
INCOME PER BUSINESS before distribution to investors	**59 628**	**(19 636)**	**1 268**	**7 988**	**463**		**49 713**
Net distributions to investors	(57 546)	(699)		(2 229)			(60 474)
OPERATING INCOME PER BUSINESS after distribution to investors	**2 082**	**(20 335)**	**1 268**	**5 759**	**463**		**(10 761)**
CURRENT OPERATING INCOME	**2 082**	**(20 335)**	**1 268**	**5 759**	**463**		**(10 761)**
Other revenues (expenses), net		(1 467)	(356)	(469)	(67)		(2 359)
OPERATING RESULT	**2 082**	**(21 802)**	**912**	**5 290**	**396**		**(13 120)**
Net Financial Expense							(15 382)
Profit/ (loss) of Investments in associates							117
PROFIT BEFORE TAX							**(28 384)**
Income tax benefit (expense)							1 372
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**(27 013)**
Income from discontinued activities							
CONSOLIDATED NET INCOME (LOSS)							**(27 013)**
Of which non controlling interests (minority interests)							3 058
Of which owners of the parent company							**(23 955)**

2014* (€ thousands)	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	(8 763)	(9 052)	(4 256)	(6 580)	(11 398)	11 331	(28 718)
GROSS OPERATING MARGIN	**57 778**	**12 777**	**5 579**	**18 537**	**251**		**94 923**
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**	**(79)**		**58 910**
Net distributions to investors	(51 416)	(1 319)		(2 211)			(54 946)
OPERATING INCOME PER BUSINESS after distribution to investors	**3 981**	**(9 588)**	**2 604**	**7 046**	**(79)**		**3 964**
CURRENT OPERATING INCOME	**3 981**	**(9 588)**	**2 604**	**7 046**	**(79)**		**3 964**
Other revenues (expenses), net		134					134
OPERATING RESULT	**3 981**	**(9 454)**	**2 604**	**7 046**	**(79)**		**4 098**
Net Financial Expense							(17 725)
Profit/ (loss) of investments in associates							
PROFIT BEFORE TAX							**(13 627)**
Income tax benefit (expense)							423
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**(13 204)**
Income from discontinued activities							
CONSOLIDATED NET INCOME (LOSS)							**(13 204)**
Of which non controlling interests (minority interests)							283
Of which owners of the parent company							**(12 921)**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

note 3.2. BALANCE SHEET BY DIVISION

December 31, 2015 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	TOTAL
ASSETS						
Goodwill		24 108		5 101		29 209
Intangible assets	209	177	21	630	69	1 106
Rental equipment & other PPE, net	39 795	189 834	56 371	196 059	978	483 037
Long-term financial assets	1 153	1 160	107	1 163	510	4 093
Equity investment				2 867		2 867
Other non-current assets	823	27	2 398			3 248
Deferred tax assets					269	269
TOTAL non-current assets	**41 980**	**215 306**	**58 897**	**205 820**	**1 826**	**523 829**
Inventory and work-in-progress	16 428	7 562	14	30 619		54 623
Trade receivables, net	18 990	24 668	3 464	3 689	38	50 849
Other current assets	3 901	5 411	1 005	1 919	1 224	13 460
Cash and cash equivalents					46 745	46 745
TOTAL current assets	**39 319**	**37 641**	**4 483**	**36 227**	**48 007**	**165 677**
Assets to be sold						
TOTAL ASSETS						**689 506**
LIABILITIES						
Share capital					47 070	47 070
Hybrid capital					50 161	50 161
Reserves					69 537	69 537
Profit (loss) for the fiscal year, Group's share					(23 955)	(23 955)
Equity attributable to the owners of the parent company					**142 813**	**142 813**
Non controlling interests (Minority interests)		(1 254)		21 219		19 965
Consolidated shareholders' equity					**142 813**	**162 778**
Loans and borrowings					331 854	331 854
Deferred tax liabilities					7 461	7 461
Employee benefits	54	185	16		155	410
Other long-term liabilities		3 105				3 105
TOTAL non-current liabilities	**54**	**3 290**	**16**		**339 470**	**342 830**
Provisions	4	2 135		454	113	2 706
Loans and borrowings					69 390	69 390
Trade payables	6 167	17 814	2 470	4 393	1 551	32 395
Other current liabilities	46 580	18 899	1 062	10 651	2 215	79 407
TOTAL current liabilities	**52 751**	**38 848**	**3 532**	**15 498**	**73 269**	**183 898**
Liabilities to be sold						
TOTAL LIABILITIES						**689 506**
Tangible & intangible investments during the year	293	13 799	456	9 361	115	24 025
Workforce by business	**41**	**747**	**10**	**50**	**37**	**885**

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
Equity investment						
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**
Assets to be sold						
TOTAL ASSETS						**724 560**
LIABILITIES						
Share capital					47 070	47 070
Hybrid capital					50 161	50 161
Reserves					78 473	78 473
Profit (loss) for the fiscal year, Group's share					(12 921)	(12 921)
Equity attributable to the owners of the parent company					**162 784**	**162 784**
Non controlling interests (Minority interests)		1 851		20 058		21 909
Consolidated shareholders' equity					**162 784**	**184 693**
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		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	5 069	59 655
TOTAL current liabilities	**39 621**	**33 739**	**2 746**	**6 362**	**132 523**	**214 991**
Liabilities to be sold						
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**

(*) Amounts restated in accordance with accounting method change related to the application of IFRIC21 "Levies".

note 3.3. GEOGRAPHICAL INFORMATION

(€ thousands)	International	Europe	Americas	Africa	Asia	TOTAL
2015						
Revenue	170 114	160 618	12 968	4 508	32	348 240
Tangible and intangible investments	293	19 050	62	117	4 502	24 025
Sectoral non-current assets	41 956	419 923	40 101	16 531	5 049	523 560
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

NOTES REGARDING THE INCOME STATEMENT

NOTE 4. REVENUE FROM ORDINARY ACTIVITIES

Breakdown by type (€ thousands)	2015	2014	Variation 2015/2014	
Leasing revenue	224 975	206 189	18 786	9,11%
Sales of equipment	123 265	172 502	(49 237)	-28,5%
TOTAL REVENUE	**348 240**	**378 691**	**(30 451)**	**-8,0%**
Capital gain (loss) on disposal	172	172		
Revenue from ordinary activities	**348 412**	**378 863**	**(30 451)**	**-8,0%**

Total revenue decreased by €30.4 million (equal to -8%), changing from €378.7 million in 2014 to €348.2 million in 2015, due to a decrease in syndications with investors in the Shipping Containers business. Revenues decreased by 16% with constant currency and scope.

Leasing revenues

Leasing revenues include lease payments, freight receipts, and revenues from the provision of services associated with equipment leasing.

The leasing revenue also includes the financial revenue from finance leases in which the Group is the lessor.

The leasing revenue increased by €18.8 million, from €206.2 million at 31 December 2014 to €225 million on 31 December 2015, equal to a change of 9.1% The change in leasing revenues at constant scope and currency is stable, at +0.1 %.

Sale of new and used equipment

Equipment sales record sales of equipment to investors (syndications), sales of new and used equipment to end customers and sales commissions (see note 1.21.4 page 85). Equipment sold to investors within the scope of syndication are then managed by the Group under management programmes.

Equipment sales were down by €49.2 million (-28.5%), from €172.5 million on 31 December 2014 to €123.3 million for 2015. The decrease in sales is mainly explained by the lower amount of syndication of shipping containers realised in 2015 compared to 2014 due to lower steel prices and purchase prices of shipping containers creating a certain wait and see approach among investors. From a general point of view, the Shipping Containers, Freight Railcars and River Barges divisions are down while the Modular Buildings division increased its sales.

NOTE 5. PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and other external expenses decreased by €42.8 million or -17% in 2015. This variation is mainly explained by changes in the cost of sales of equipment for €51 million as a result of a decrease in syndications with investors in the Shipping Containers business. Other external services rose by €8.6 million corresponding mainly to depot storage costs in the Shipping Containers division and preparation costs (transport, assembly and subcontracting) in the Modular Buildings division. The impact of changes in exchange rates is significant on purchases and other external expenses. At constant currency purchases and other external expenses decreased by €57.2 million.

The growth in the Modular Buildings leasing business particularly in Germany, Poland and the Czech Republic was accompanied by a significant increase in output of modular buildings. The outputs of modular buildings correspond to new rentals and are accompanied by preparation costs. These preparation costs are recorded as expenses when they are implemented. The corresponding rental income is spread over the term of the leases. In 2015, the increase in business generated additional preparation costs compared to 2014.

NOTE 6. STAFF COSTS

(€ thousands)	2015	2014	Variation 2015/2014	
Salaries & social security charges	(35 051)	(32 316)	(2 735)	8,5%
Workforce on December 31	**885**	**796**	**89**	**11,2%**

Payroll as well as the number of employees increased in 2015 by 8.5% and 11.2% respectively. This increase is mainly localised in the Modular Buildings division and particularly in the Czech Republic and Germany in order to support the significant recovery of activity in central European countries particularly. The average salary decreased in 2015, with key recruitments being factory workers in the Czech Republic.

In order to enable the employees of the French economic and social unit (which includes the companies TOUAX Corporate, TOUAX Solutions Modulaires, TOUAX Container Services and TOUAX River Barges) 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 financial year, and half is distributed in proportion to the salary of each beneficiary during the fiscal year concerned. No contribution has been paid in 2015.

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.

No profit sharing was paid in 2015.

The competitiveness and employment tax credit (Crédit d'Impôt Compétitivité Emploi) concerning French companies is accounted for under staff costs for an amount of €147,000.

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

(€ thousands)	2015	2014	Variation 2015/2014	
Other operating income	1 415	4 844	(3 429)	-70,8%
Other operating charges	(2 257)	(10 085)	7 828	-77,6%
TOTAL Other operating income and charges	**(842)**	**(5 241)**	**4 399**	**-83,9%**

In 2015, other operating income and expenses were made up of income and expenses involved in current operations.

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 1st half of 2014 in the Group's favour, with the Group being awarded compensation of €2 million. Corrections and repairs related to these design flaws are accounted for under current operating income.

NOTE 8. OPERATING PROVISIONS

(€ thousands)	2015	2014	Variation 2015/2014	
Reversals of operating provisions	4 230	11 933	(7 703)	-64,6%
Allocation to operating provisions	(9 827)	(5 253)	(4 574)	87,1%
TOTAL Operating provisions	**(5 597)**	**6 681**	**(12 278)**	

In 2015, operating provisions amounted to €5.6 million and corresponded to net impairment of bad loans for €3.6 million, to provisions for risks and charges totalling €1.5 million and stock depreciation totalling €0.5 million.

In 2014, operating provisions primarily reflected a net recovery of €6.7 million including €6.5 million for reversals of bad loans following their transition into a loss in other operating expenses (see note 7).

NOTE 9. DEPRECIATION AND IMPAIRMENTS

(€ thousands)	2015	2014	Variation 2015/2014	
Straight-line depreciation	(37 429)	(27 145)	(10 284)	
Depreciation on equipments under Capital Lease	(9 415)	(8 991)	(424)	
Depreciation expense	**(46 844)**	**(36 136)**	**(10 708)**	**29,6%**
Other depreciation	(144)	123	(267)	
TOTAL	**(46 988)**	**(36 013)**	**(10 975)**	**30,5%**

In 2015, the Group decided to accelerate its strategy of streamlining its modular building fleets. So, in France and the United States, where utilisation rates remained low, it was decided to accelerate the sales of non-leased, used equipment. An exhaustive review of the fleets in these countries was conducted to identify the assets held for sale and estimate their selling price. Depreciation on these assets in France and the United States was noted at €5.5 million and €4.5 million respectively.

The decline in steel prices in 2015 and subsequently the purchase price of shipping containers generated a lower sales price for used equipment. The review of shipping containers for sale has revealed a provisioned impairment totalling an amount of €425,000. It should be noted that €174,000 has been recorded under stock depreciation (see note 8) and €251,000 in asset impairments.

Finally, the review of other assets of the Group showed a loss of €300,000 for river barges.

In total, the Group recorded additional impairment losses of €10.8 million under allocations for depreciation in 2015.

For reference, an additional impairment of €1.7 million was recorded in 2014 in the Modular Buildings division following the completion of the physical inventory of equipment. The impairment recognised in 2013 was reversed in 2014 for an amount of €1.3 million due to the sale of impaired assets.

Other provisions allocations are made up solely of allocations and reversals for pension and other retirement liabilities.

NOTE 10. NET DISTRIBUTIONS TO INVESTORS

Net Distributions to Investors are broken down by division as follows:

(€ thousands)	2015	2014	Variation 2015/2014	
Shipping Containers	(57 546)	(51 416)	(6 130)	11,9%
Modular Buildings	(699)	(1 319)	620	-47,0%
Freight Railcars	(2 229)	(2 211)	(18)	0,8%
TOTAL	**(60 474)**	**(54 946)**	**(5 528)**	**10,1%**

Net distribution to investors increased by €5.5 million (equal to +10%), from €54.9 million in 2014 to €60.5 million in 2015.

Net distributions to investors correspond to variable asset rental charges belonging to investors which are managed by the Group and leased to their customers. The majority of managed assets are shipping containers. Shipping containers are denominated in US dollars and leased in US dollars. The increase in net distributions to investors is mainly explained by the rise of the US dollar despite the decrease in the fleet managed for third parties.

At constant currency, distributions to investors fell by €4 million or -7%.

Shipping containers

On 31 December 2015, the Group managed 478,713 CEUs for third parties, compared with 507,236 CEUs on 31 December 2014. The growth in distribution to investors is explained by changes in Euro-dollar parity. At constant currency, the distribution to investors has decreased.

Modular Buildings

The Group manages 2,419 modular buildings in France on behalf of third parties, compared with 5,119 modular buildings in France, Germany and the Netherlands on 31 December 2014. The decrease in distribution is a result of the redemption of a fleet to an investor in 2015.

Freight railcars

In 2015, the Group managed 3,621 railcars (equivalent to 4,501 platforms) in Europe and the United States on behalf of third parties, compared with 2,161 railcars (2,592 platforms) in 2014. In December 2015, the Group acquired management of 1,912 railcars which belonged to the General Electric group. These railcars were acquired by third party investors in an asset company (TRF3) in which the Group invested 26% (see note 18.1.2 page 99). The impact of this fleet's growth had no effect on the distribution to investors in 2015. The distribution to investors for the Freight Railcars division remains stable.

NOTE 11. OTHER OPERATING INCOME AND EXPENSES

In 2015, other operating income and expenses showed a loss of €2.4 million related to the costs of a "High Yield" debt issuance project which did not end up being realised. The Group chose to refinance through its banking financial partners for a financial cost more in line with its businesses.

In 2014, other operational expenses and income present an income 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.

NOTE 12. FINANCIAL PROFIT OR LOSS

(€ thousands)	2015	2014	variation 2015/2014	
Interest Income	**164**	**205**		
Interest expense	(15 706)	(17 509)		
Cost of loans and borrowings	(15 706)	(17 509)		
Net Interest Expense	**(15 542)**	**(17 304)**	**1 762**	**-10,2%**
Profit and loss on debt extinguishment	29	(80)		
Dividends received				
Financial income and charges from discounting	(8)	84		
Other financial income and charges	139	(425)		
Other financial income (expenses), net	**160**	**(421)**	**581**	**-138,0%**
NET FINANCIAL EXPENSE	**(15 382)**	**(17 725)**	**2 343**	**-13,2%**

The change in the net financial income can be explained by the fall in 2015 of the average debt level and the interest rate over the financial year.

Other financial income records €0.7 million corresponding to the change in fair value of the Convertible Bonds.

NOTE 13. INCOME TAX

note 13.1. ANALYSIS OF THE TAX CHARGE ACCOUNTED FOR IN 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 TAX CHARGE

The tax income accounted for in the profit/loss for the financial year increased to +€1.4 million (compared with -€0.4 million in 2014). It is broken down as follows:

	2015			2014		
(€ thousands)	Payable	Differed	TOTAL	Payable	Differed	TOTAL
Europe	(337)	499	162	(304)	378	74
USA	(969)	2 451	1 482	(7)	592	585
Others	(126)	(146)	(272)	(889)	653	(236)
TOTAL	**(1 432)**	**2 804**	**1 372**	**(1 199)**	**1 622**	**423**

note 13.1.2. RECONCILIATION BETWEEN THE GROUP'S THEORETICAL TAX CHARGE AND THE TAX CHARGE ACTUALLY ACCOUNTED

(€ thousands)	2015	2014
Total profit before tax and extraordinary items	**(28 503)**	**(13 602)**
Theoretical tax at the current French rate of taxation	9 500	4 534
Restrictions on deferred tax items	(7 378)	(6 934)
Temporary differences		46
Permanent differences and other elements	(890)	1 328
Current benefit of earlier losses		694
Difference in tax rate	140	755
EFFECTIVE TAX BURDEN	**1 372**	**423**

Outstanding deferred tax assets in France not recognised in the accounts are estimated at €20 million. Outstanding deferred tax assets in the Netherlands not recognised in the accounts are estimated at €2.4 million. Outstanding deferred tax assets in Morocco not recognised in the accounts are estimated at €0.8 million.

note 13.2. TAXES ACCOUNTED FOR DIRECTLY IN SHAREHOLDERS' EQUITY

Deferred tax effects of swap valuations and net investment revaluations are booked to Shareholders' Equity.

(€ thousands)	2014	changes by equity	2015
Redeemable warrants	(54)		(54)
Swaps evaluation	5	48	53
Revaluation of net investments	391	(25)	366
TOTAL	**342**	**23**	**365**

note 13.3. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax position is as follows:

(€ thousands)	2015	2014
Deferred tax asset	269	50
Deferred tax liability	(7 461)	(9 911)
TOTAL	**(7 192)**	**(9 861)**

Net deferred tax liabilities are broken down as follows:

(€ thousands)	2015	2014
Depreciation of fixed assets and financial lease restatement	(44 810)	(39 727)
Unused tax losses	38 650	30 792
Discounting of financial assets	3	1
Provisions for doubtful accounts	923	470
Miscellaneous	(1 958)	(1 397)
NET BALANCE	**(7 192)**	**(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 financial year. The shares held by the company are deducted.

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. On 31 December 2015 the Group had no potentially dilutive shareholders' equity instrument.

	2015	2014
Net consolidated net profit (€)	**(23 955 130)**	**(12 921 323)**
Outstanding shares at December 31	5 883 782	5 883 773
Weighted average number of outstanding ordinary shares	5 874 504	5 883 773
Potential number of shares		
- 2007 exercisable/transferable equity warrant bonds**		
- ORNANE 2015		
Weighted average number of shares for calculation of the diluted earnings per share	**5 874 504**	**5 883 773**
NET EARNINGS PER SHARE		
- basic	(4,08)	(2,20)
- diluted	(4,08)	(2,20)

NOTES CONCERNING THE BALANCE SHEET

ASSETS

NOTE 15. GOODWILL

Changes in goodwill were as follows:

(€ thousands)	2014	Decrease	Translation adjustment	2015
Modular Buildings	**23 624**			**24 107**
Siko Containerhandel Gmbh	1 583			1 583
Touax Sro - Touax SK Sro	11 237		294	11 531
Touax Maroc/Ramco Sarl	10 804		189	10 993
Freight Railcars	**5 101**			**5 101**
SRF Railcar Leasing Ltd	547			547
Touax Rail Limited	4 554			4 554
TOTAL	**28 725**		**483**	**29 208**

Impairment tests

Impairment tests have been carried out for each cash-generating unit (CGU) for which goodwill is recognized in the accounts. The recoverable value is based on the unit's value in use, equal to the amount of future cash flows, discounted using the weighted average cost of capital. Future cash flows are based on four-year forecasts and a terminal value estimated on the basis of forecast cash flows.

The table below describes the main assumptions for the CGUs presenting goodwill:

(€ thousands)	Value of associated goodwill	2014 discount rate	2014 terminal growth rate	2015 discount rate	2015 terminal growth rate
Modular Buildings outside Africa	13 114	7,76%	2,00%	8,85%	1,70%
Modular Buildings in Africa	10 993			10,04%	1,50%
Freight Railcars	5 101	7,56%	2,00%	7,50%	1,70%
TOTAL	**29 208**				

The discount rates used are the weighted average cost of capital (WACC) estimated for each division.

The growth rate used of 1.7 %, corresponds to the ECB's forecasts for the rate of inflation.

Analyses of the sensitivity of the recoverable value to a possible change in a key assumption (including variation of +/-50 base points in the discount rate; variation of +/- 50 base points in the growth rate to infinity and variation of +/- 5% in projected integrated cash flows to the terminal value) were undertaken.

These sensitivity analyses showed that a change of 50 base points in the hypotheses of discount rates or growth rates or 5% in projected cash-flows would not result in the accounting of an impairment in the Group's consolidated financial statements on 31 December 2015.

Sensitivity of the recoverable value with a change of + / - 50 base points of the rates

(€ thousands)	Rate sensitivity				Sensitivity to variation of futur cash flows of terminal value	
	discount rate		Terminal growth rate		Indefinite growth rate	
	+ 50 pb	- 50 pb	+ 50 pb	- 50 pb	+ 5%	- 5%
Modular Buildings outside Africa	(14 277)	16 429	13 423	(11 668)	8 338	(8 338)
Modular Buildings in Africa	(1 653)	1 862	1 486	(1 321)	1 102	(1 102)
Wagons de Fret	(19 605)	23 307	19 747	(16 613)	9 901	(9 901)

NOTE 16. INTANGIBLE ASSETS

(€ thousands)	2014	Purchases	Allocation for the fiscal year	Variation in conversion	reclassification and ultimate disposal	2015
Shipping Containers	139	264	(48)	17	(163)	209
Modular Buildings	223	39	(90)	4		177
River Barges	16	11	(6)			22
Freight Railcars	610		(20)	40		630
Corporate	138		(69)			69
TOTAL	**1 126**	**315**	**(233)**	**61**	**(163)**	**1 106**

Intangible assets mainly concern licenses, software, development costs and pre-production tests of modular building prototypes.

NOTE 17. FIXED ASSETS

note 17.1. BREAKDOWN BY TYPE

	2015			2014
(€ thousands)	Gross value	Amort.	Net val.	Net val.
Land and buildings	12 821	-4 253	8 568	9 127
Rental Equipment	665 495	-196 802	468 694	489 585
Other PPE	14 901	-11 612	3 289	3 332
Tangible assets in progress	2 486		2 486	2 545
TOTAL	**695 704**	**-212 667**	**483 037**	**504 590**

note 17.2. CHANGES IN GROSS VALUE, BY TYPE

(€ thousands)	01/01/2015	Purchases	Sales	Variation in conversion	Reclassification and inclusion in the perimeter	31/12/2015
Land and buildings	12 119	487	(30)	227	19	12 822
Rental Equipment	655 997	19 460	(36 287)	9 930	16 395	665 495
Other PPE	13 221	1 028	(141)	254	539	14 901
Tangible assets in progress	2 545	2 735		(17)	(2 777)	2 486
TOTAL	**683 882**	**23 710**	**(36 458)**	**10 394**	**14 177**	**695 704**

Purchases of equipment relate to modular buildings for €13.8 million, freight railcars for €9.4 million and river barges for €0.4 million.

The gross value of capital outflows (sales) relate to modular buildings for an amount of €16.5 million, river barges for an amount of €1 million, shipping containers for an amount of €13.9 million and railcars for an amount of €5.1 million.

The transfer of stocks to fixed assets relate to the Shipping Containers business that has immobilized €16 million of equipment previously stored and the Freight Railcars business that has transferred €2.1 million of capital equipment in stock.

The Group's 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-ft articulated intermodal railcars. The unit values of river barges range from €150,000 for second-hand barges (1,700-ton), to over €1 million for newly-bought barges (2,800-ton).

In 2015, additional impairment losses were recorded in France and the United States in the Modular Buildings division for €5.3 million and 4.5 million respectively, in order to support the strategy to streamline the fleets (see note 9 page 93).

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.

NOTE 18. FINANCIAL INSTRUMENTS

note 18.1. FINANCIAL ASSETS

Fair value of financial instruments

Financial assets valued at fair value by the corresponding income 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 23.1.5 below.

The financial risk management policy is presented in note 29.

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 18.1.1. NON-CURRENT FINANCIAL ASSETS

Securities available for sale - Gross value	2015	2014
Opening total	1 613	1 420
Increases		
Decreases		
Difference on conversion	186	193
Other changes		
Closing total	**1 799**	**1 613**

Other N.C. financial assets - Gross value	2015	2014
Opening total	6 220	5 834
Increases	1 461	478
Decreases	(23)	(278)
Difference on conversion	122	103
Other changes	(8)	83
Closing total	**7 772**	**6 220**

Securities available for sale - Impairment in income statement	2015	2014
Opening total	(1 613)	(1 419)
Increases		
Decreases		
Difference on conversion	(186)	(193)
Other changes		
Closing total	**(1 798)**	**(1 612)**

Other N.C. financial assets - Impairment in income stater	2015	2014
Opening total	(3 515)	(3 449)
Increases	(99)	
Decreases		
Difference on conversion	(63)	(66)
Other changes	1	1
Closing total	**(3 678)**	**(3 514)**

Securities available for sale - Net value	2015	2014
Opening total	**1**	**1**
Closing total	**1**	**1**

N.C. financial assets - Net value	2015	2014
Opening total	**2 705**	**2 384**
Closing total	**4 093**	**2 706**

N.C. = non-current

€ thousands

Securities available for sale: These comprise a minority stake in an unlisted storage container leasing company in the USA. The holding was 100% written down in 2007 (€1.4 million). The value of the equity interests on 31 December 2015 was almost nil.

The other long-term financial assets are made up of loans and deposits.

note 18.1.2. INTERESTS IN ASSOCIATED COMPANIES

In December 2015, the company TRF3 was formed with a view to taking under management the European freight railcar leasing business of General Electric. The capital of this company is held by third party investors at 74% and by the Group at 26%. Bank financing of assets was set up to complete the financing of this acquisition. The company TRF3 is consolidated according to the Equity method in the Group accounts for a value of €2.7 million.

The principal financial data relating to this company accounted by the equity method are:

- Revenue in 2015: €865,000, and
- Net debt in 2015: €31.7 million.

note 18.1.3. OTHER FIXED ASSETS

Finance lease receivables - Gross value *(€ thousands)*	2015	2014
Opening total	3 641	5 699
Increases	4	
Decreases	(191)	(84)
Difference on conversion	334	458
Other changes	(539)	(2 433)
CLOSING TOTAL	**3 248**	**3 641**

Finance lease receivables - Impairment in income statement *(€ thousands)*	2015	2014
Opening total		
Increases		
Decreases		
Difference on conversion		
Other changes		
CLOSING TOTAL		

Finance lease receivables - Net value *(€ thousands)*	2015	2014
Opening total	3 641	5 698
CLOSING TOTAL	**3 248**	**3 641**

Financial derivative assets at fair value *(€ thousands)*	2015	2014
Opening total	1 169	129
Increases		
Change in fair value	(1 177)	1 028
Difference on conversion	8	12
Other changes		
CLOSING TOTAL		**1 169**

Interest rate swaps included under non-current derivatives are valued at fair value; the effective portion is included in shareholders' 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 million (€3.2 million in other non-current assets and €0.7 million in other current assets) and a historical cost of €16.5 million.

(€ thousands)	Minimum future payments	Discounted minimun future payments
< 1 year (+)	1 020	742
1 - 5 years (+)	3 450	3 072
> 5 years (+)	230	176
TOTAL	**4 700**	**3 990**
Discounting of finance leases	710	
Discounted minimum future payments	**3 990**	**3 990**
Presentation in the balance sheet of finance lease receivables		
Other current assets		742
Other non-current assets		3 248
TOTAL		**3 990**

The interest rate applied in each finance lease is determined on the day the contract is signed. The average rate of interest used was 11.97 % on 31 December 2015. The interest income from finance leases is recorded under leasing revenue (€0.4 million in 2015 compared with €0.8 million in 2014).

Customer reimbursements of finance lease receivables corresponding to the net investment booked on the balance sheet under assets came to €1.2 million in 2015. 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, amounting to €1.2 million on 31 December 2015. 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	2015
EBITDAR (gross margin)	62 602	10 456	4 745	17 887	1 010	96 701
Payments received of principal of finance lease receivables	942	182	55			1 180
Restated EBITDAR	**63 544**	**10 639**	**4 800**	**17 887**	**1 010**	**97 880**
Net distribution to investors	(57 546)	(699)		(2 229)		(60 474)
Restated EBITDA after distribution to investors	**5 998**	**9 940**	**4 800**	**15 658**	**1 010**	**37 406**

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.

(€ thousands)	Gross value	Prov.	Net val.	Net val.	Variation	Net val.
Equipment	44 487	(717)	43 770	31 084	17 084	26 686
Spare parts	10 853		10 853	10 420	790	10 063
TOTAL	**55 340**	**(717)**	**54 623**	**41 504**	**17 874**	**36 749**

The inventory of shipping containers corresponds to about 10,167 CEUs worth a total of €16.4 million.

The Modular Buildings division has a stock account in goods or in production of €6 million and €1.6 million of spare parts.

The inventory of the Freight Railcars division has stocks of spare parts for €8.7 million and railcars for €21.9 million (equal to 300 railcars).

NOTE 20. RECEIVABLES AND RELATED ACCOUNTS

Receivables and related accounts - Gross value *(€ thousands)*	**2015**	2014
Opening total	66 940	70 474
Variation	744	(6 646)
Difference on conversion	3 269	3 110
Other changes	395	1
CLOSING TOTAL	**71 349**	**66 940**

Receivables and related accounts - Impairment in income statement *(€ thousands)*	**2015**	2014
Opening total	(16 223)	(22 020)
Increases	(7 124)	(3 970)
Decreases	3 559	10 440
Difference on conversion	(738)	(660)
Other changes	27	(13)
CLOSING TOTAL	**(20 500)**	**(16 223)**

Receivables and related accounts - Net value *(€ thousands)*	**2015**	2014
Opening total	50 717	48 454
CLOSING TOTAL	**50 849**	**50 717**

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 31 December 2015, outstanding trade receivables totalled €50.8 million on the balance sheet. This is a reasonable estimate of the fair value.

The average duration of customer credit is 50 days. For receivables in arrears of less than one year, an impairment is created according to the customer's payment history. The average duration of customer credit was 62 days in 2014.

Before a new customer is accepted, the Group checks its solvency with credit rating agencies and determines the applicable credit limits.

On 31 December 2015 the Group recognised net overdue receivables of €15 million, the vast majority of which is outstanding for less than six months.

Aged balance of accounts 2015 *(€ thousands)*	Trade receivables, gross	Depreciation	Trade receivables
Unmatured	37 098	(1 459)	35 639
0 - 6 months	13 608	(2 954)	10 654
6 -12 months	2 983	(1 240)	1 744
> 1 year	17 660	(14 846)	2 813
TOTAL	**71 349**	**(20 500)**	**50 849**

NOTE 21. OTHER CURRENT ASSETS

(€ thousands)	2015	2014
Sale of fixed assets		11
Prepaid expenses	4 347	4 615
Taxes and duties	6 511	7 775
Finance lease receivables within a year	742	1 101
Others	1 861	1 667
TOTAL	**13 460**	**15 170**

Taxes and Duties are mainly made up of VAT at the end of period.

At 31 December 2015, "others" is made up of the current (less than a year) component of financial receivables from finance leases (equal to €0.7 million on 31 December 2015, see notes to the consolidated financial statements note 1.18.1).

Other current assets are all recoverable within one year.

NOTE 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents *(€ thousands)*	2015	2014
Investments of less than 3 months	11 120	4 663
including short-term securities	*9 673*	*3 217*
Cash	35 625	75 254
AMOUNT AT CLOSING	**46 745**	**79 917**

The balances of cash and cash equivalents shown on the Group's balance sheet on 31 December 2015 include €23 million in cash that is not available for the Group's daily cash management. This balance corresponds to (i) €5.5 million to the contractual reservations on asset financing companies, (ii) €9.4 million to the cash account of companies not 100% owned and (iii) €7.7 million of reserves related to the next repayment of container warehouse following a year-end syndication.

NOTE 23. FINANCIAL LIABILITIES

Non-current and current financial liabilities correspond to "Borrowings and Financial Debts" and "Borrowings and Current Bank Facilities".

note 23.1.1. ANALYSIS OF FINANCIAL LIABILITIES BY CATEGORY

	2015			2014		
(€ thousands)	Non current	Current	TOTAL	Non current	Current	TOTAL
Bond issue	43 269	454	43 723	21 542	114	21 656
Medium/long-term loans with recourse	58 165	13 757	71 922	40 413	14 394	54 807
Finance lease commitments with recourse	32 318	17 178	49 497	51 279	20 783	72 061
Revolving lines of credit with recourse	36 427	9 423	45 850	67 565	25 344	92 909
Debt without recourse	161 675	24 978	186 653	132 392	55 125	187 517
Current bank accounts with recourse		1 744	1 744		9 000	9 000
Current bank accounts without recourse		96	96		738	738
Liabilities on derivatives		1 759	1 759		418	418
TOTAL FINANCIAL LIABILITIES	**331 854**	**69 390**	**401 244**	**313 191**	**125 915**	**439 106**

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, 2015					
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	399 485	401 275	0,45%	397 885	-0,84%
Financial liabilities valued at fair value	1 759	1 759	0,00%		-100,00%
TOTAL	**401 244**	**403 034**	**0,45%**	**397 885**	**-1,28%**

At December 31, 2014					
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	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%**

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 €403 million, using closing prices at 31 December 2015 as a hypothesis.

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 in the absence of 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 23.1.2. BREAKDOWN BY DUE DATE OF LOANS AND PAYMENTS ON DECEMBER 31, 2015

(€ thousands)	2016	2017	2018	2019	2020	+ 5 yrs	TOTAL
Bond issues	454		20 997		22 272		43 723
Medium/long-term loans with recourse	13 757	13 910	14 493	24 036	7 820	(2 094)	71 922
Finance leasing commitments with recourse	17 178	11 625	8 012	6 966	2 388	3 327	49 497
Short-term loans with recourse	75			36 394			36 469
Debts without recourse	25 074	93 036	15 437	3 239	42 612	7 351	186 749
TOTAL capital flow on loans	**56 538**	**118 571**	**58 939**	**70 635**	**75 092**	**8 584**	**388 359**
Future interest flow on loans	10 839	8 288	6 639	4 221	2 809	194	32 992
TOTAL FLOW ON LOANS	**67 378**	**126 860**	**65 579**	**74 857**	**77 901**	**8 777**	**421 351**

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 in the note 23.1.1.

Future interest payable on variable rate loans has been estimated on the basis of the interest rates applicable on 31 December 2015.

note 23.1.3. 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 amounting to €112 million on 31 December 2015. 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
Type of facility	club deal	club deal	Bond issue	bilateral
Period and issue mode	5 year revolving/ long-term credit (2 parts)	5 year long-term credit	6 year without bullet repayment	7 year long-term amortizable debt
Maximum amount	€67,5m	€43 m	€15m	€22,3m
Outstanding liabilities 12/31/15	€67,5m	€12,9m	€15m	€18,1m
Scope of calculation	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)	below 1.9	below 1.9	below 1.9	below 1.9
Gearing (net debt with recourse / stockholders' equity)	below 2,5	below 2,5	below 2,5	
LTV (financial debt / tangible assets)	below or equal to 70 %	below or equal to 70 %	below or equal to 70 %	
Minimum EBITDA	€30m	€30m	€30m	
Interest Coverage (re-stated EBITDA after distribution / Net financial expenses)	higher or equal to 2	higher or equal to 2	higher or equal to 2	
Gearing (net debt with recourse/ stockholders' equity)				below 1,9
Interest Coverage (re-stated EBITDA after distribution / Net financial expenses)				higher than 2
Calculation frequency	biannual	biannual	biannual	biannual
Loan maturity date	15/07/2019	08/03/2017	14/12/2018	31/12/2019
Security	no	no	no	package of guarantees
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 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 2015.

	2015
Loan to Value (financial debt/tangible assets)	61%
Gearing with recourse (net debt with recourse / shareholders' equity)	1,03
Total gearing (net debt / shareholders' equity)	2,18

The Group's level of gearing is consistent with its capital-intensive leasing business. The TOUAX Group is an asset company. The consolidated balance sheet consists mainly of fixed assets. Since the Group's WCR is negative, the Group's debt exclusively funds the fixed assets. The loan-asset ratio (loan to value) is an important indicator of the level of funding. This ratio represents gross debt relative to total assets excluding goodwill and intangible assets. The level of 61% LTV on 31 December 2015 is consistent with the Group's capital-intensive business and does not disclose the Group's over-indebtedness.

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 23.1.4. ANALYSIS OF THE DEBT

Consolidated net financial debt is as follows:

(€ thousands)	2015	2014
Financial liabilities	401 244	439 106
Derivative instruments asset		1 169
Marketable securities & other investments	11 120	4 663
Cash assets	35 625	75 254
CONSOLIDATED NET FINANCIAL INDEBTEDNESS	**354 499**	**358 020**
Non-recourse debt	186 749	188 255
FINANCIAL INDEBTEDNESS EXCLUDING NON-RECOURSE DEBT	**167 750**	**169 765**

Recourse debt corresponds to asset financing for which TOUAX SCA does not collateralize. The lenders are secured primarily by the assets being financed and their underlying leasing contracts.

Financial liabilities broken down by currency

(€ thousands)	2015	2014
Euro (EUR)	314 992	331 261
US dollar (USD)	72 249	87 033
Polish zloty (PLN)	6 880	9 995
Others	7 123	10 817
TOTAL	**401 244**	**439 106**

Breakdown of gross debit by fixed rate – variable rate (including hedging instruments)

(€ thousands)	2015	2014
Fixed rate	208 170	233 345
Floating rate	193 074	205 761
TOTAL	**401 244**	**439 106**

Average rate of gross debt by currency

	2015	2014
Average debt rate in Euro (EUR)	3,56%	3,42%
Average debt rate in US Dollar (USD)	3,83%	3,52%
Average debt rate in Polish Zloty (PLN)	5,36%	4,85%
Average debt rate in other currencies	5,35%	5,24%
AVERAGE AVERALL NET DEBT RATE	**3,67%**	**3,52%**

note 23.1.5. 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	2015
Interest income						
Interest expense		120	(16 260)	(66)	738	(15 468)
Impact on income						**(15 468)**
Exchange gain or loss						29
Impact of discounting						(8)
Interest on cash						164
Miscellaneous						(99)
FINANCIAL RESULT						**(15 382)**

(€ 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)**

note 23.1.6. ACCOUNTS RECEIVABLE

(€ thousands)	2015	2014
Shipping Containers	6 167	5 733
Modular Buildings	17 814	16 372
River Barges	2 470	1 366
Freight Railcars	4 393	3 369
Miscellaneous	1 551	1 410
TOTAL	**32 395**	**28 249**

All Trade Payables are due within one year.

NOTE 24. SHAREHOLDERS' EQUITY

Details of Shareholders' Equity are given in the Schedule of Changes in Shareholders' Equity. TOUAX paid an interim dividend on 2 January 2015.

Management of capital

The Group's objective in managing its Shareholders' equity is to maximise the company's value by arranging for an optimal capital structure that minimises the cost of capital and ensures the best possible return to shareholders.

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)	2015
Net debt with recourse	167,8
Net debt without recourse	186,7
Equity	162,8
Debt ratio (excluding non-recourse debt)	1,03
Debt ratio of non-recourse debt	1,15
DEBT RATIO	2,18

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.

Non-controlling interests (minority interests)

The amount of minority interests amounted to €19, 9 million. They correspond to the interest of financial partners, mainly in the company SRFRL for €14.7 million, and to a lesser extent in the TOUAX Africa sub-group and the TOUAX Rail India sub-group.

Hybrid Debt *(€ thousands)*	Part 1	Part 2	Part 3	**TOTAL**
Issue price	20 525	12 250	18 025	50 800
Net 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 25. PROVISIONS

Provisions for contingencies

(€ thousands)	2014	Provision	Reversal used	Unused reversal	Exchange gain	**2015**
Shipping Containers	4					4
Modular Buildings	1 026	1 639	(544)		14	2 135
River Barges						
Freight Railcars		453				453
Unallocated	130	113	(130)			113
TOTAL Contingency provisions	**1 160**	**2 206**	**(674)**		**14**	**2 706**

(€ thousands)	2014	Provision	Reversal	Reclassification	Exchange gain	**2015**
Modular Buildings	14			(14)		
TOTAL Restructuring provision	**14**			**14**		
TOTAL PROVISION IN CURRENT LIABILITIES	**1 173**	**2 206**	**(674)**	**14**	**14**	**2 706**

The risk provisions are mainly composed of customer, supplier and employment risks.

NOTE 26. PENSION AND SIMILAR LIABILITIES

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)	2014	Provision	Reversal	Change in perimeter	Exchange gain	**2015**
Shipping Containers	31	57	(35)			53
Modular Buildings	138	48				185
River Barges	8	16	(8)			16
Corporate	89	155	(89)			155
TOTAL	**266**	**276**	**(132)**			**410**

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 1.764%,
- Pay rises at 0.8 %

- Changes in hypotheses set the retirement age at 62 years.

NOTE 27. OTHER LONG-TERM LIABILITIES

(€ thousands)	2015	2014
Modular Buildings	3 105	1 508
TOTAL	**3 105**	**1 508**

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.

Liabilities related to the acquisition of assets with a maturity of over one year, are included in other long-term liabilities.

NOTE 28. OTHER CURRENT LIABILITIES

(€ thousands)	2015	2014
Capital creditors	18 787	3 359
Tax and social security liabilities	14 038	12 241
Accounts payable	35 807	30 695
Deferred revenue	5 172	5 826
Other current liabilities	5 602	7 534
TOTAL	**79 407**	**59 655**

Accounts receivable in 2015 represents €8.2 million for the purchasing of shipping containers, €1.8 million for modular buildings and €8.4 million for freight railcars.

Accounts receivable in 2014 represents €2.1 million for the purchasing of railcars and €0.8 million for modular buildings in France.

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 29. RISK MANAGEMENT

note 29.1. 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 29.2. CREDIT RISK

Credit risk is described in note 20, page 101.

note 29.3. LIQUIDITY RISK AND COUNTERPARTY RISK

About liquidity risk

Liquidity risk 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 3-year plan, the annual cash flow budget, as well as via daily, monthly and weekly cash-flow forecasts. These forecasts are updated regularly to reflect more accurately the future needs of the Group. 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 after agreement from the Group's management in order to control the legal and financial commitments (both on and off the balance sheet) made by the Group.

Some loans include clauses with drawdown conditions (asset eligibility) and others include financial commitments (ratios) that the Group must abide by, as indicated in note 23.1.3 page 103.

The theoretical maturity dates in 2016 are presented below:

(€ millions)	**2016**
Repayment of medium/long-term credit	30,6
Repayment of confirmed short-term credit with recourse	2,6
Repayment of debts without recourse	25,1
Repayment of annual revolving credit	11,1
TOTAL	**69,4**
Estimated financial charges	11,0
TOTAL	**80,3**

A liquidity risk can occur if the Group does not have sufficient resources to meet its short-term needs, particularly its loan maturity dates.

Liquidity risk may occur for example in the case of the inability to use the revolving credit facility of asset financing due to its inability to meet the eligibility criteria governing the use of these lines of financing, or in the case of an improper backing of income generated by its leased assets and financing maturity dates. 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.

To meet its loan maturity dates, the Group has operating cash flows resulting from the asset leasing and sales business as well as refinancing resources. The Group's liquidity is therefore dependent on the level of leasing activity, the realisation of asset transfer transactions and the refinancing transactions scheduled in 2016. At end of December 2015, the Group had €46.7 million of cash and recorded €11.2 million of available lines and €31.1 million of assets in stock to be sold to investors.

The timetable of dates when the Group’s debt falls due is as follows:

(€ millions)	**TOTAL**	2016	2017	2018	2019	2020	>5 ans
Debts with recourse	214,5	44,3	25,6	43,5	67,4	32,5	1,2
Debts without recourse	186,7	25,1	93,0	15,4	3,2	42,6	7,4
TOTAL	**401,2**	**69,4**	**118,6**	**58,9**	**70,6**	**75,1**	**8,6**

In general the Group’s liquidity risk is relatively 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 29.4. 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 2015, the Group set up an interest rate swap aimed at hedging the fluctuations in the variable rate for refinancing of €55 million for a railcar financing line. The notional amount of the swap is 90% of the outstanding loan. The hedges put in place in previous years continue to produce their effects. At the end of 2015, fixed-rate debt (after hedging operations) represented 52% of total debt, compared with 53% at the end of 2014. Long term fixed-rate debt represented 82% of total long-term debt, compared to 94% at the end of 2014.

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 31 December 2015:

(€ thousands)	Par value	Par value by maturity date			Valuation at 31/12/15
		<1 year	1-5 years	> 5 years	
Interest rate swaps borrower fixed rate / lender variable rate					
EUR Euribor / fixed rate	61 975	11 888	50 088	-	
PLN Wibor / fixed rate	321	321	-	-	
TOTAL INTEREST RATE HEDGING	**62 296**	**12 208**	**50 088**	**-**	**-866**

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 December 31, 2015		
	before hedging	Impact of derivatives	after hedging
Euro at fixed rate	115 011	61 975	176 987
Euro at floating rate	199 980	-61 975	138 005
Dollar at fixed rate	21 368		21 368
Dollar at floating rate	50 881		50 881
Zloty at fixed rate	3 481	321	3 802
Zloty at floating rate	3 399	-321	3 078
Other currencies à taux fixe	6 013		6 013
Other currencies at floating rate	1 110		1 110
Total debt at fixed rate	145 874	62 296	208 170
Total debt at floating rate	255 370	-62 296	193 074
TOTAL DEBT	**401 244**		**401 244**

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 €1.9million on 31 December 2015, equal to around 13% of theoretical interest expenses. This theoretical calculation is determined after taking into account derivatives, on the assumption that gross debt remains stable over the coming financial year.

note 29.5. 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 Koruna 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 currency risk on 31 December 2015.

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 2015, 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 income 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 income of some of its subsidiaries into Euros by purchasing options from first-rate counterparties, using the entities' budgeted income as a reference. On 31 December 2015 the Group did not have any hedging positions for its foreign currency income budgeted for in 2016.

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 on 31 December 2015:

(€ thousands)	Par value	Maximum due date
USD forward purchase portfolio	68 708	06/01/2016
CHF forward purchase portfolio	126	06/01/2016
GBP forward purchase portfolio	745	06/01/2016
PLN forward purchase portfolio	939	07/01/2016
CZK forward purchase portfolio	4 486	29/01/2016
TOTAL OF FORWARD PURCHASE PORTFOLIOS	**75 003**	
USD forward purchase portfolio	10 932	06/01/2016
GBP forward purchase portfolio	504	06/01/2016
PLN forward purchase portfolio	5 151	07/01/2016
CZK forward purchase portfolio	6 656	06/01/2016

➢ **Fair value hedge**

(€ thousands)	2015
Variation in fair value of the hedging instrument	(2 995)
Variation in fair value of the hedged item	2 993
NET IMPACT ON EARNINGS OF FAIR VALUE HEDGES	(2)

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 and on shareholders' 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 on 31.12.2015	Impact on shareholders' equity (Group's share) on 31.12.2015
Fall of 10% in the US dollar	2,66%	-4,38%
Fall of 10% in the Polish zloty	-2,80%	-0,51%
Fall of 10% in the Czech crown	0,95%	-0,47%
Fall of 10% in the Morroccan dirham	2,65%	-0,09%

The Modular Building division works mainly in Euros, in Czech Koruna 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 leasing and sale of Shipping Containers is international, and is mostly denominated in US dollars.

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 29.6. 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 that the Group signed with an investment services provider. The amounts currently invested do not represent a significant risk for the Group.

note 29.7. RAW MATERIAL PRICE VOLATILITY RISK

This risk is further explained under risk factors, in paragraph 4.3.26 of the reference document.

note 29.8. TAX RISK

A tax audit of our TOUAX Morocco subsidiary located in Morocco was carried out during the 2010, 2011, 2012 and 2013 financial years. The financial years 2010 to July 2012 were covered by an assets and liabilities guarantee of the former owner of the subsidiary in the knowledge that it was acquired by the Group in July 2012. Notifications have been issued by the Moroccan tax authorities. The Group believes these adjustments are unfounded and have contested them with the administrative body. No provision has been recorded in the accounts to date.

note 29.9. 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 (France). The hearing took place on 23 February 2016 and the decision is expected for 22 April 2016.

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. Accordingly no provision was recorded on 31 December 2015.

NOTE 30. 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 during 2015 for their 2014 statutory remuneration was €400 million.

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.

The remuneration of corporate officers is detailed in chapter 15 of the reference document. Total remuneration of the corporate officers amounted to €1,092,000 in 2015.

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 €1.1 million per year.

At the end of 2015, equipment, with a gross value of €191,000, belonging to a General Partner, was managed by the Group. These investments generated total income of approximately €10,000. 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 pension and supplementary pension commitments for members of the Executive Committee are immaterial (statutory retirement benefits). TOUAX SCA has no stock option schemes.

The remuneration of members of the Supervisory Board is detailed in chapter 15 of the reference document. It amounted to €63,000.

Relations between the parent company and its subsidiaries are explained in paragraph 7.2 of this reference document and in the note 26.5 of the notes to the company financial statements.

NOTE 31. OFF-BALANCE SHEET COMMITMENTS

The presentation made does not omit any significant off-balance sheet commitments according to current accounting standards.

note 31.1. NON-CAPITALIZED OPERATING LEASES

(€ thousands)	TOTAL	< 1 yr	1 - 5 yrs	> 5 yrs
Operating leases with recourse	28 365	6 239	19 094	3 032
Including property (offices)	19 960	4 436	12 492	3 032
Operating leases without recourse against the Group	24 736	14 013	10 723	-
Of which, shipping containers	24 487	*13 772*	*10 715*	-
Of which, freight railcars	249	*241*	*8*	-
TOTAL	**53 102**	**20 252**	**29 817**	**3 032**

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 31.2. OTHER COMMITMENTS MADE

Bank guarantees issued on the Group's behalf at 31 December 2015

(€ thousands)	Amount	Maturity
Bank guarantee	**3 560**	
Modular buildings	3 435	2 019
River barges		
Freight railcars	125	undefinite

Firm orders for equipment from external suppliers

Firm orders and investments as of 31 December 2015 amount to approximately €23.5 million, including €8.2 million in shipping containers and €15.3 million in railcars.

note 31.3. OTHER UNDERTAKINGS RECEIVED

Fixed-Term Operating Leases

The minimum future payments to be received under operating leases totalled €282 million.

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	2015
0-6 months	35 760	7 774	3 795	12 916	60 246
6 months - 1 year	31 089	4 838	3 836	11 435	51 198
Between 1 and 5 years	99 648	5 609	19 060	26 563	150 880
More than 5 years	2 666	168	5 631	11 569	20 034
TOTAL MINIMUM OPERATIONAL RENTS	**169 164**	**18 388**	**32 323**	**62 483**	**282 358**

(€ 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**

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 31/12/2015	1 year	1 to 5 years	> 5 years
Shipping containers	26 395	15 073	11 322	
Freight railcars	280	280		
TOTAL	**26 675**	**15 353**	**11 322**	

(€ thousands)	Rents for receipt on 31/12/2014	1 year	1 to 5 years	> 5 years
Shipping containers	37 805	13 505	24 299	
Freight railcars	502	251	251	
TOTAL	**38 306**	**13 756**	**24 550**	

note 31.4. 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:

			Decembre 31, 2015		
(€ thousands)	Commencement	Maturity	Asset pledged (gross value)	Total balance Sheet item (gross value)	%
Mortgages (river barges)					
	2012	2020	5 236		
	2012	2019	10 251		
	2013	2020	10 251		
TOTAL			**25 737**	**79 158**	**32,5%**
Tangible assets pledged					
Modular buildings			**22 161**	**320 715**	
	2005	2016	6 044		
	2011	2016	2 775		
	2010	2017	3 000		
	2012	2020	10 341		
Shipping containers			**65 130**	**61 688**	
	2008	2016	60 538		
	2014	2016	4 593		
Freight railcars			**227 784**	**274 101**	
	2014	2017	63 054		
	2015	2016	12 591		
	2006	2016	9 710		
	2008	2018	34 269		
	2011	2021	16 343		
	2015	2020	91 817		
TOTAL			**315 075**	**656 504**	**48,0%**

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 31.5. 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	7 525	75 022	15 378	97 924

The original amount of the guarantees given with regard to the above bank credit facilities was €246.1 million.

The securities and guarantees granted by TOUAX SCA are listed in paragraph 7.2 page 58.

note 31.6. ADDITIONAL INFORMATION ON CAPITALISED FINANCE LEASES

(€ thousands)	2015
ORIGINAL VALUE	168 182
Amortization for the period	9 415
CUMULATIVE AMORTIZATION	50 941
NET BOOK VALUE	**117 241**

(€ thousands)	Future payments (min.)	Interest	Present value of future payments	Residual value
2016	19 191	1 927	17 265	580
2017	13 027	1 222	11 805	116
2018	8 757	739	8 018	422
2019	7 296	330	6 966	24
2020	2 548	160	2 388	36
> 5 years	3 385	57	3 327	81
TOTAL	**54 203**	**4 435**	**49 768**	**1 258**
AMOUNT CHARGES TO INCOME STATEMENT (amortization & financial expenses)	25 791			

NOTE 32. FEES OF THE STATUTORY AUDITORS

(€ thousands)	Deloitte & Associés				LNA				Other networks			
	Amount		%		Amount		%		Amount		%	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
AUDIT												
Auditorship, certification, inspection of indivual and consolidated financial statements	**516**	**469**	**69%**	**88%**	84	**82**	**41%**	**95%**	133	**132**	**97%**	**81%**
- TOUAX SCA	49	54	7%	10%	44	42	22%	49%				
- Consolidated subsidiaries (1)	467	415	63%	78%	40	40	20%	47%	133	132	97%	81%
Other controls and services directly connected with the audit engagement	**230**	**63**	**31%**	**12%**	119	**4**	**59%**	**5%**	4	**30**	**3%**	**19%**
- TOUAX SCA	226	39	30%	7%	119							
- Consolidated subsidiaries	4	24	1%	5%		4			4	30		
Subtotal	746	532	94%	98%	203	86	100%	85%	137	162	61%	64%
OTHER SERVICES PROVIDED BY AUDIT FIRMS TO FULLY CONSOLIDATED SUBSIDIARIES												
- Legal, tax & social security services	30	11	67%	100%		15			80	4	91%	4%
- Other services	15								8	88	9%	96%
Subtotal	45	11	6%	2%		15		15%	88	92	39%	36%
TOTAL	791	**543**	**100%**	**100%**	203	**101**	**100%**	**100%**	225	**254**	**100%**	**100%**

20.2. STATUTORY FINANCIAL STATEMENTS

The financial statements of TOUAX SCA are presented in accordance with the accounting principles generally applied in France.

Income Statement			
note n°	*(€ thousands)*	**2015**	2014
3	Revenue	4 853	2 337
4	Write-back of provisions and transfer of expenses	9	97
5	Other products	273	23
	TOTAL operating income	5 135	2 458
6	Other operating expenses	(4 552)	(2 505)
7	Taxes and duties	(194)	(212)
8	Staff Costs	(59)	(53)
9	Depreciation provision	(562)	(456)
10	Allocations to operating provisions	(9)	(9)
	TOTAL operating expenses	(5 376)	(3 235)
	OPERATING INCOME	(241)	(777)
	Income attributed to common operations		
11	FINANCIAL PROFIT OR LOSS	753	6 351
	Profit before tax and extraordinary items	512	5 574
12	EXTRAORDINARY PROFIT OR LOSS		
13	Income tax	150	(50)
	NET INCOME FOR THE YEAR	662	5 524

The notes accompanying the appendix form an integral part of the company's financial statements

Balance sheet

note no.	*(€ thousands)*	2015	2014
	ASSETS		
14	Gross intangible assets		
	Intangible asset depreciation		
	Net intangible assets		
15	Gross fixed assets	1 248	1 246
	Fixed asset depreciation	(986)	(924)
	Net fixed assets	262	323
16	Long-term investments	143 828	141 407
	Long-term investment provisions	(165)	(44)
	Net long-term investments	143 663	141 364
	Fixed assets TOTAL	143 925	141 686
17	Trade receivables	1 425	1 186
18	Other operating receivables	215 426	216 484
	Cash and negotiable securities	11 223	1 656
19	Deferred expenses	240	309
	Total current assets	228 314	219 635
19	Accruals	3 262	1 204
	TOTAL ASSETS	**375 501**	**362 526**
	LIABILITIES		
	Share capital	47 070	47 070
	Reserves	35 603	35 326
	Balance brought forward	2 248	339
	Profit or loss for the financial year	662	5 524
	Interim dividends		(2 938)
20	Shareholders' equity	85 583	85 321
	Issue of participating bonds	52 483	52 492
21	Other stockholders' equity	52 483	52 492
	Provisions for risks	68	45
	Provisions for charges	9	5
22	TOTAL provisions for Risks and Charges	78	49
23	Financial indebtedness	128 399	125 122
24	Operating liabilities	108 748	99 267
25	Accruals	210	275
	TOTAL LIABILITIES	**375 501**	**362 526**

The notes accompanying the appendix form an integral part of the company's financial statements

Self-financing capacity

(€ thousands)	2015	2014
GROSS OPERATING SURPLUS	117	(314)
Financial rent and leasing		
Other operating income	273	23
Other operating expenses	(68)	(119)
Financial products	15 839	16 495
Financial expenses	(11 954)	(10 171)
Taxes on profits	150	(50)
SELF-FINANCING CAPACITY	**4 357**	**2 954**

Financing statement (jobs & resources) *(€ thousands)*	**2015**	2014
JOBS		
Dividends paid during the financial year	(3 338)	(3 447)
Repayment of contribution		
Net change in intangible and fixed assets	(2)	(41)
Change in long-term investments	(2 420)	(34 390)
Change in shareholders' equity	(9)	
Expenses to be distributed	(2 534)	(259)
Repayment of loans		(7 582)
TOTAL JOBS	(8 303)	(45 720)
RESOURCES		
Self-financing capacity for the financial year	4 357	5 865
Net change in intangible and fixed assets		
Change in long-term investments		
Expenses to be distributed		
Increase in shareholders' equity		15 693
Increase in loans	6 360	
TOTAL RESOURCES	10 717	21 558
CHANGE IN TOTAL NET WORKING CAPITAL (net use)	**2 414**	(24 162)

Change in total net working capital *(€ thousands)*	**2015**	2014
Operating variation		
Change in operating assets		
- Inventories and Work in Progress		
- Accounts receivable, related accounts and other operating receivables	2 165	5 961
Change in operating liabilities		
- Accounts receivable & other operating liabilities	(12 419)	(31 501)
Net operating variation	(10 254)	(25 541)
Non-operating variation		
- Change in other debtors	(46)	(23)
- Change in other creditors	64	(11)
Non-operating net change	18	(34)
WORKING CAPITAL REQUIREMENT FOR FINANCIAL YEAR		
NET CLEARING OF WORKING CAPITAL DURING THE FINANCIAL YEAR	(10 236)	(25 575)
Change in net cash-flow		
- Change in cash	9 566	1 540
- Change in bank current accounts & bank overdrafts	3 083	(128)
Change in net cash-flow	12 649	1 413
CHANGE IN TOTAL NET WORKING CAPITAL (net use)	**2 414**	**(24 162)**

NOTES TO THE FINANCIAL STATEMENTS

Unless otherwise provided, all the figures are given in thousands of Euros.

NOTE 1. SIGNIFICANT EVENTS AND EVENTS AFTER YEAR-END

On 2 July 2015 TOUAX SCA ("TOUAX") launched an issuance of bonds convertible into Cash and/or New and/or existing Shares (Convertible Bonds) to mature on 10 July 2020 ("Bonds") for an initial nominal amount of approximately €20 million. Since the issue was oversubscribed, the nominal amount of the latter was increased to approximately €23 million following the exercise in full of the extension clause by the Company in accordance with the Global Coordinators and Joint Lead Managers.

In addition, TOUAX SCA undertook further refinancing for €67.5 million of corporate credit lines. This financing, maturing in 2019, consists of a revolving line and a term repayment loan. These new lines created an opportunity for TOUAX to adjust its financial covenants more suited to its business of renting fixed assets (loan to value, overall gearing ratio, interest coverage ratio and minimum EBITDA).

NOTE 2. ACCOUNTING PRINCIPLES

The financial statements for the 2015 financial year were prepared in accordance with Regulation no. 2014-03 of the Accounting Standards Authority approved by order of the Ministry of Budget of 8 September 2014 published in the OJ on 5 October 2014.

note 2.1. INTANGIBLE ASSETS

Intangible assets are entered at their acquisition cost and include the software programs acquired. These assets are depreciated using the straight-line method over their remaining useful lifetime.

note 2.2. FIXED ASSETS

The CRC regulation no. 2002-10 of 12 December 2002, which became mandatory for the financial years commencing after 1 January 2005, stipulates that the main components of a fixed asset, for which the lifetime is less than that of the main fixed asset, must be identified so that they may be depreciated over their own remaining useful lifetime.

Fixed assets are entered at their acquisition cost. Depreciation is calculated using the straight-line method without deducting a residual value. The depreciation periods retained depend on the assets' estimated useful lifetimes. The significant fixed assets are reviewed at the end of each fiscal year. The initial useful lifetime is extended or reduced if deemed necessary by the conditions of use of the good in question.

The useful lifetimes are as follows:

- Administrative and commercial buildings 20 years
- Fixtures and fittings 10 years
- Office and computer equipment 4 years
- Office furniture 5 years

note 2.3. LONG-TERM INVESTMENTS

The gross value is made up of the purchase cost excluding incidental costs.

When the balance sheet value of the equity investments, established according to the stockholders' equity, the business development prospects and the latent capital gains on the assets, is less than the gross value, a depreciation is constituted for the difference. This provision is written back when the balance sheet value rises.

Treasury stock is posted in the long-term investments at its historical cost (€149,970 at 31 December 2015).

A depreciation is constituted when the closing price is less than the purchase value.

note 2.4. RECEIVABLES

Receivables are valued at their nominal value. A depreciation is created when the balance sheet value is less than the net book value.

note 2.5. NEGOTIABLE SECURITIES

Negotiable securities are evaluated at their acquisition cost.

In the event of the sale concerning all of the stock of a similar type conferring the same rights, the input value of the stock sold is determined using the "first in - first out" method.

If the price on the last day of the financial year is less than the purchase price of the stock, a depreciation is constituted to cover the latent capital loss.

note 2.6. SHAREHOLDERS' EQUITY

The capital increase expenses are deducted from the issue premium.

note 2.7. PROVISIONS FOR RISKS AND CHARGES

The risks for which there is a provision under this section include mainly the social, tax and exchange rate risks.

The calculation of the contingency and loss provisions takes into account the stipulations of Regulation 00-06 of the Accounting Rules pertaining to liabilities.

note 2.8. FOREIGN CURRENCY OPERATIONS

Payables and receivables denominated in foreign currencies are converted at the rates applicable on 31 December of the financial year.

- Covered receivables and liabilities generate no impact on income given the symmetrical revaluation of foreign currency hedging.
- The differences resulting from the conversion of debts and receivables in unhedged foreign currency are accounted for as exchange rate differences.

In accordance with the precautionary principle, unrealized losses are subject to a provision for risks. Unrealized gains have no impact on income.

note 2.9. PENSION AND OTHER RETIREMENT LIABILITIES

The provision for pension compensation is calculated according to the evaluation rules of the revised IAS 19 standard. The variation of the provision is entered in the income statement. For TOUAX, this compensation only refers to the retirement packages of employees.

note 2.10. FISCAL CONSOLIDATION

The company has opted to use the group tax system set out in article 223 A of the French general tax code. In accordance with the integration agreement:

- The company is accountable to the Treasury Department for corporation income tax calculated on the total of the income established for fiscal purposes of the consolidated companies;

- The accounting method for the tax applied by the Group is the so-called "neutrality" method. This method involves posting the tax owed by the consolidated subsidiaries as if they were taxed separately. TOUAX SCA records its own tax and the tax saving (or the additional expense) arising from the application of the tax system.

No changes were made to the scope of consolidation during the course of the financial year.

note 2.11. EXPENSES TO BE DISTRIBUTED

The expenses to be distributed concern the loan issue expenses. They are subject to a linear depreciation over the term of the loan, in equal proportion.

NOTES REGARDING THE INCOME STATEMENT

NOTE 3. TURNOVER PER BUSINESS ACTIVITY

(€ thousands)	**2015**	2014
Real estate	137	106
Intra-group services	4 716	2 231
TOTAL	**4 853**	**2 337**

Real estate

The real estate business refers to the leasing of buildings for private or office use.

Intra-group services

Intra-group services represent the sub-leasing of offices to the Group's French companies as well as the consulting services provided by TOUAX SCA to the Group's companies. The significant increase in this item this year is due to the high costs of chargeback incurred by the company as part of a High Yield debt issuance operation which did not end up being fulfilled. The Group chose to refinance via its banking financial partners for a financial cost more in line with its business activities.

NOTE 4. WRITE-BACK OF PROVISIONS AND TRANSFER OF EXPENSES

(€ thousands)	2015	2014
Provision for retirement indemnity	5	6
Other provisions	4	92
TOTAL reversals of provisions	9	97
Transfers of charges		
TOTAL transfers of charges		
TOTAL	**9**	**97**

The write-back of the provision for retirement compensation refers entirely to the provision posted in the previous year end accounts. The provision at the end of the financial year was for €9,000 and was charged in full to the allocation for the financial year (note 10).

The write-back of the provision of €4,000 corresponds entirely to a customer provision reversal, previously recognised, and relating to the company's real estate activity.

NOTE 5. OTHER PRODUCTS

(€ thousands)	2015	2014
Other income	273	23
TOTAL	**273**	**23**

For the financial year, this item refers to €19,000 of leasing revenues for buildings which are not assigned to professional activities. The balance is made up of €135,000 from the sale price of a property and €119,000 for the regularization of other liabilities becoming irrelevant over the financial year.

NOTE 6. OTHER OPERATING EXPENSES

(€ thousands)	2015	2014
Purchases of goods and consumables	5	3
TOTAL	5	3
Rental and property leasing charges	1 498	1 398
Maintenance and repairs	18	33
Insurance premium	111	215
TOTAL	1 628	1 646
Payment of intermediaries and fees	2 703	245
Advertising and Publications	29	19
Bank charges	110	461
Other	9	13
TOTAL	2 852	737
Bad debts	4	2
Attendance fees	56	117
Various management expenses	7	
TOTAL	68	119
TOTAL OTHER OPERATING EXPENSES	**4 552**	**2 504**

Leasing and real estate leasing fees

This item consists mainly of office rental at La Défense. Most of the leasing expenses were invoiced to the subsidiaries occupying the offices (see note 3).

Insurance premiums

This item includes the insurance premiums for the insurance policies covering the real estate leased by the company and the insurance premiums covering the third party liability of the managers within the scope of their professional activities.

Payment of intermediaries and fees

The payment of intermediaries and fees concerns the fees paid to third parties for their legal, assistance and consulting assignments. The increase of this item over the year is explained by an expenses fee of €2.4 million related to costs incurred as part of the debt issuance project (High Yield) which did not end up being fulfilled.

NOTE 7. TAXES AND DUTIES

(€ thousands)	2015	2014
On compensation	4	11
Territorial economic contributions and property taxes	185	140
Other taxes	5	61
TOTAL	**194**	**212**

NOTE 8. STAFF COSTS

(€ thousands)	2015	2014
Salaries and wages	40	39
Social contributions	19	14
TOTAL	**59**	**53**

NOTE 9. DEPRECIATION PROVISION

(€ thousands)	2015	2014
Real estate	63	61
Other fixed assets		
Expenses to be distributed	499	395
TOTAL	**562**	**456**

The depreciation provision of the operating expenses to be distributed refers to the loan issue expenses distributed over the period of the corresponding loans.

NOTE 10. FURTHER ALLOCATIONS TO OPERATING PROVISIONS

(€ thousands)	2015	2014
Provisions for client risks		4
Other provisions for Risks and Charges	9	5
TOTAL	**9**	**9**

The allocation for contingency and loss provisions includes the entire provision for pension and retirement liabilities posted during the financial year.

NOTE 11. FINANCIAL PROFIT OR LOSS

(€ thousands)	2015	2014
Dividends and other equity products	**7 562**	**8 000**
FINANCIAL EXPENSES AND REVENUES		
Financial products	8 221	8 453
Income from transfer of V.M.P	(30)	(31)
Financial expenses	(11 775)	(9 998)
Net financial costs	**(3 584)**	**(1 576)**
PROVISIONS		
Reversals	45	72
Provisions	(3 177)	(45)
Net change	**(3 132)**	**27**
EXCHANGE RATE DIFFERENCES		
Positive	30	7
Negative	(123)	(107)
Net exchange rate difference	**(93)**	**(100)**
FINANCIAL PROFIT OR LOSS	**753**	**6 351**

note 11.1. DIVIDENDS AND SHARE IN THE PROFITS

During the year, the company received €7.5 million in dividends from its French subsidiary TOUAX Container Services SAS and €62,000 from its subsidiary TOUAX UK.

note 11.2. Financial expenses and revenues

All financial revenue consists of financial interest received on direct or indirect cash advances granted by the Company to its subsidiaries within the scope of the cash agreement between the company and the Group's companies.

The financial expenses of the financial year include mainly the following:

- a total of €4,036,000 of financial interest on loans entered into with credit institutions;

- a total of €4,031,000 of coupons paid and to be paid on Undated Super Subordinated Notes;

- a total of €3,700,000 of financial interests paid for advanced funds, which were directly or indirectly made available to the company by the companies of the group.

note 11.3. Provisions and depreciations

Allocations for the financial year of €3,177,000 corresponding to €2,988,000 for the depreciation over the financial year of a debt held at a US subsidiary. The amount of this allocation corresponds to the amount of the net negative equity of the subsidiary at 31 December 2015. The balance of the allocation for the year, amounting to €189,000, corresponds for a total of €68,000 to the allocation for exchange rate losses and €121,000 to the depreciation of various financial assets.

note 11.4. Currency gain/loss

For the financial year, the net exchange rate loss of €93,000 is mainly due to the impact of the fluctuation of the US dollar during the financial year.

NOTE 12. Extraordinary profit or loss

Since the 2002 financial year, and in accordance with the recommendations of the AMF, the current transfers of fixed assets and other extraordinary operations previously classified in the extraordinary profit or loss are presented by type in the operating and financial profit or loss.

NOTE 13. Tax on profits

As explained in the note 2.10, the Group has adopted the so-called "neutrality" method to account for the corporation income tax.

The company's accounting income before tax totals €661,000. Given the tax reintegration (€12,000) and tax deductions (€7,305,000), the tax income for the financial year shows a tax loss of €6,631,000.

In accordance with the integration agreement, TOUAX SCA recorded a tax saving of €250,000 for the tax group during the 2015 financial year.

The company also recorded an amount of €100,000 relating to the additional contribution to corporate income tax of 3% on distributions.

Notes concerning the Balance Sheet

Assets

NOTE 14. Intangible assets

None.

NOTE 15. Fixed assets

note 15.1. Distribution of the fixed assets

(€ thousands)	2015			2014
	Gross value	Depreciation	Net value	Net value
Land and buildings	1 131	908	223	273
Other fixed assets	117	78	39	49
TOTAL	**1 248**	**986**	**262**	**323**

Movements associated with the fixed assets are shown in note 14.2 and note 14.3.

note 15.2. Acquisitions in 2015

(€ thousands)	Purchases
Other fixed assets	2
TOTAL	**2**

note 15.3. ASSIGNMENTS AND REDUCTIONS IN 2015

A fully amortised property asset was sold during the year for €135,000.

NOTE 16. FINANCIAL ASSETS

(€ thousands)	2015 Gross value	2015 Depreciation	2015 Net value	2014 Net value
Shares	139 034		139 034	136 836
Loans and receivables associated with investments	4 058		4 058	3 882
Other loans and financial assets	735	165	571	646
TOTAL	**143 828**	**165**	**143 663**	**141 364**

note 16.1. EQUITY INVESTMENTS

(€ thousands)	2015 Gross value	2015 Depreciation	2015 Net value	2014 Net value
Europe				
TOUAX Corporate SAS	2 591		2 591	2 591
TOUAX Container Services SAS	19 057		19 057	19 057
The company officers concerned are the Managers of TOUAX SCA:	60 378		60 378	60 378
TOUAX River Barges SAS	23 419		23 419	23 419
TOUAX Rail Ltd	31 325		31 325	31 325
Touax Africa SAS	2 198		2 198	
Other	1		1	1
International				
TOUAX Capital SA	65		65	65
TOUAX UK	1		1	1
TOTAL	**139 034**		**139 034**	**136 836**

Over the year, the Company acquired a 51% share in the company TOUAX Africa SAS from its French subsidiary TOUAX Solutions Modulaires SAS for €2,198,000.

note 16.2. LOANS AND RECEIVABLES ASSOCIATED WITH INVESTMENTS

(€ thousands)	2015 Gross value	2015 Depreciation	2015 Value net	2014 Value net
TOUAX Corporation	4 058		4 058	3 882
TOTAL	**4 058**		**4 058**	**3 882**

note 16.3. OTHER FINANCIAL ASSETS

On 31 December 2015, other financial assets totalled a gross value of €735,000 Their breakdown is as follows:

- €485,000 for miscellaneous deposits and guarantees;
- €100,000 contribution to the construction work that was fully depreciated over the year;
- €150,000 of treasury stock held at the end of the financial year.

NOTE 17. BREAKDOWN OF THE RECEIVABLES AND RELATED ACCOUNTS BY BUSINESS ACTIVITY

(€ thousands)	2015 Gross value	2015 Depreciation	2015 Net value	2014 Gross value	2014 Depreciation	2014 Net value
Other	50	20	29	64	25	39
Intra-group	1 396		1 396	1 147		1 147
TOTAL	**1 445**	**20**	**1 425**	**1 211**	**25**	**1 186**

The miscellaneous item is made up of receivables related to the real estate activity, which are maturing in less than one year.

Intra-group receivables correspond to the invoicing of the service provided by the company to companies of the Group. At the end of the financial year, these intra-group receivables all mature within one year.

NOTE 18. OTHER OPERATING RECEIVABLES

(€ thousands)	2015			2014		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
State and social institutions	242		242	165		165
Intra-group receivables	218 125	(2 988)	215 137	216 183		216 183
Various debtors	47		47	135		135
TOTAL	**218 414**	**(2 988)**	**215 426**	**216 484**		**216 484**

Most of the other receivables mature within one year.

note 18.1. STATE AND SOCIAL INSTITUTIONS

This amount is the entire amount of VAT to be recovered by the company.

note 18.2. INTRA-GROUP RECEIVABLES

Inter-group receivables consist of cash advances granted to companies of the group as part of the cash-flow management agreement. Depreciation of €2,988,000 was allocated in full this year (note 11.3).

NOTE 19. ACCRUALS AND PREPAID EXPENSES

(€ thousands)	2015	2014
Deferred expenses	240	309
Expenses to be distributed	3 194	1 159
Unrealised exchange rate gains	68	45
TOTAL	**3 502**	**1 513**

Pre-paid expenses are mainly composed of office rents and insurance premiums for the share pertaining to the 2016 financial year.

The expenses to be distributed are the loan issue expenses spread over the term of the loan. During the financial year, the movements of this item are as follows:

- A €2,534,000 increase corresponding to the issue expenses for the new loans taken out during the course of the financial year,
- A €499,000 decrease corresponding to the expenses amortised during the course of the financial year.

NOTE 20. SHAREHOLDERS' EQUITY

note 20.1. CHANGE IN SHAREHOLDERS' EQUITY

(€ thousands)	01.01.2015	Appropriation of 2014 profit	Capital increase	Other changes	31.12.2015
Share capital	47 070				47 070
Issue and merger premiums	32 226				32 226
Legal reserve	2 776	276			3 053
Other reserves	324				324
Balance brought forward	339	1 910			2 249
Income for the period	5 524	(5 524)		662	661
Statutory remuneration of general partners					
Dividends paid		400			
Interim dividend	(2 938)	2 938			
TOTAL	**85 322**			**662**	**85 583**

note 20.2. CHANGE IN THE CAPITAL STOCK

At the end of the financial year, the amount of capital amounted to €47,070,000.

(in Euros)	Number of shares making up the capital	Nominal share value	Total amount of the capital
Share capital at 31.12.2010	5 695 651	8	45 565 208
Capital increase:	*25 098*	*8*	*200 784*
Share capital at 31.12.2011	5 720 749	8	45 765 992
Capital increase:	*19 518*	*8*	*156 144*
Share capital at 31.12.2012	5 740 267	8	45 922 136
Capital increase:	*143 506*	*8*	*1 148 048*
Share capital at 31.12.2013	5 883 773	8	47 070 184
Share capital at 31.12.2014	5 883 773	8	47 070 184
Capital increase:	*9*	*8*	*72*
Share capital at 31.12.2015	**5 883 782**	**8**	**47 070 256**

NOTE 21. OTHER STOCKHOLDERS' EQUITY

The other equity item comprises at the year end an amount of €50,800,000 following the issue in 2013 and 2014 of Undated Super Subordinated Notes (TSSDI). These TSSDI give entitlement to an annual fixed rate coupon of 7.95% until 2019 and the company reserves the right to repay at par with effect from August 2019.

Payment of the coupon is only mandatory if dividends are paid. In this regard, this hybrid issue consolidates the Group's financial structure and enhances support for its international investment projects. This issue also gives the Group access to further sources of financing through the capital markets.

The company recorded an amount of €1,683,000 at the year end for coupons accrued over the year, coupons expected to be paid in 2016 subject to a dividend distribution.

NOTE 22. PROVISIONS FOR RISKS AND CHARGES

(€ thousands)	Provisions on 01/01/2015	Allocations during the year	Reversals during the financial year	**Provisions on 31/12/2015**
Depreciation and amortization	45	68	(45)	68
Pension commitment	5	9	(5)	9
TOTAL	**50**	**78**	**(50)**	**78**

The provisions were entered in the accounts in accordance with the CRC 00-06 regulation.

Pensions and other retirement liabilities were entered in the accounts in compliance with recommendation no. 03-R-01 of the CNC. 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 1.764%,
- Retirement at age 62.

NOTE 23. FINANCIAL DEBTS

note 23.1. ANALYSIS BY CATEGORY OF DEBT

(€ thousands)	**2015**		2014	
Bonds	45 000		22 288	(1)
Medium-term loans from credit institutions	42 900			
Short-term loans	37 500		98 000	
Bank overdrafts and accrued interest payable	2 772	(2)	4 606	
TOTAL loans	**128 172**		**124 894**	
Deposits received from customers	16		17	
Intra-Group deposits received	211		211	
TOTAL of other liabilities	**227**		**227**	
TOTAL	**128 399**		**125 122**	

(1) Including €288 k of accrued interest

(2) Including €1,249 k of accrued interest

note 23.2. BREAKDOWN BY REPAYMENT DUE DATE

(€ thousands)	**2015**	2014
2014		
2015		22 494
2016	11 372	76 100
2017	9 300	4 300
2018	32 000	22 000
2019	52 500	
More than 5 years	23 000	
TOTAL	**128 172**	**124 894**

The financial debts falling due in 2016 are made up of around €1.5 million of annual revolving credit.

note 23.3. BREAKDOWN BY REPAYMENT CURRENCY

The financial debt is denominated in Euros.

note 23.4. CHANGE IN INDEBTEDNESS

(€ thousands)	**2015**	2014
Bank finance loans	128 172	124 894
Negotiable securities	(4 349)	
Liquid assets	(6 874)	(1 656)
NET BANK DEBT	**116 949**	**123 238**

(€ thousands)	**2015**	2014
Net bank debt	116 949	123 238
Other loans	227	227
Operating liabilities	1 665	4 253
Inventories and trade receivables	(1 715)	(1 487)
NET DEBT	**117 127**	**126 231**

note 23.5. INFORMATION ON THE INTEREST RATES

(€ thousands)	**2015**	2014
Fixed rate loans	45 000	43 415
Variable rate loans	81 923	81 479
LOANS	**126 923 (1)**	**124 894**
AVERAGE ANNUAL VARIABLE INTEREST RATE	2,92%	1,28%

(1) excluding accrued interest for the year

The variable interest rates on debts are indexed on the money-market rates (EURIBOR mainly). The average annual rate is calculated after the interest rate swap contracts have been taken into account.

NOTE 24. OPERATING LIABILITIES

note 24.1. BREAKDOWN OF THE OPERATING LIABILITIES

(€ thousands)	**2015**	2014
Other	1 075	671
Inter-Group accounts receivable	329	263
TOTAL accounts receivable and related accounts	**1 404**	**934**
Tax and social debts	203	285
Other inter-group operating liabilities	107 083	95 014
Other liabilities	59	3 035
TOTAL other operating liabilities	**107 344**	**98 334**
TOTAL	**108 748**	**99 267**

The "other Intra-Group operating debt" mainly records the amount of funds made available to the company by the Group companies as part of the cash-flow management agreement. In 2014, the item "other liabilities" included an interim dividend amounting to €2,938,000.

NOTE 25. ACCRUALS AND DEFERRED INCOME

(€ thousands)	**2015**	2014
Deferred income	210	275
TOTAL	**210**	**275**

The "deferred income" item corresponds to the share of the 2016 leasing revenue invoiced at the end of the financial year by the company to the other companies of the Group.

NOTE 26. OTHER INFORMATION

note 26.1. OFF-BALANCE SHEET COMMITMENTS

(€ thousands)	**2015**
Securities given in return for bank loans	
used by the subsidiaries and other guarantees of less than a year	7 525
from 1 to 5 years	75 022
more than 5 years	15 378
TOTAL securities	**97 925**
Real estate leasing fees still to be paid	
TOTAL real estate leasing fees	
TOTAL	**97 925**

The original amount of the guarantees given with regard to the above bank credit facilities was €246.1 million.

No real security was given by TOUAX SCA at 31 December 2015.

note 26.2. LEASING COMMITMENTS

TOUAX SCA has no leasing commitments at the end of the financial year.

note 26.3. INTEREST RATE AND EXCHANGE RATE HEDGING

Internal transactions, which replicate the conditions of the swaps contracted by the company on behalf of some of its subsidiaries, were set up between the company and the subsidiaries concerned. This was to transfer the risks and benefits associated with these hedging operations.

During the course of the financial year, the company did not have to exercise any hedging options against the exchange rate risk of converting profits in the consolidated accounts into Euros.

The company also continued to contract purchases/sales of foreign currencies, mainly US dollars, to cover temporary cash advances in US dollars of certain of its foreign subsidiaries.

note 26.4. COMPENSATION OF CORPORATE OFFICERS

The compensation of corporate officers, managers and members of the Supervisory Board, paid by TOUAX SCA in 2015 totalled €109,000.

note 26.5. TABLE OF SUBSIDIARIES AND INTERESTS

Company or group of companies	Share capital	Shareholders' equity other than capital and before appropriation of income	Share of capital held in %	Book value of securities held		Loans and advances granted by the parent company and not yet repaid	Amount (1) of guarantees given by the company	Total revenue	Profit or loss from last financial year	Dividends booked by the parent company during the last financial year
				Gross	Net					
1. SUBSIDIARIES (+50% owned)										
a. French subsidiaries										
TOUAX SOLUTIONS MODULAIRES SAS	€14,050 K	€0 K	100%	€60,378 K	€60,378 K	€59,984 K		€31,542 K	- €17,970 K	
TOUAX RIVER BARGES SAS	€12,803 K	- €13,470 K	100%	€23,419 K	€23,419 K	€15,156 K		€5,115 K	- €2,854 K	
TOUAX CONTAINER SERVICES SAS	€8,251 K	€1,116 K	100%	€19,057 K	€19,057 K	€785 K		€5,432 K	€5,897 K	€7,500 K
TOUAX CORPORATE SAS	€2,591 K	- €457 K	100%	€2,591 K	€2,591 K			€9,545 K	- €37 K	
TOUAX AFRICA SAS	€11,970 K	- €386 K	51%	€2,198 K	€2,198 K	€6,307 K		€1,007 K	- €928 K	
TOTAL FOR THE FRENCH SUBSIDIARIES				**€107,643 K**	**€107,643 K**	**€82,232 K**				**€7,500 K**
b. Foreign subsidiaries										
TOUAX CAPITAL SA	CHF 100 K	CHF 72 K	99,99%	€65 K	€65 K			CHF 33 K	CHF 0.4 K	
TOUAX RAIL Ltd	€0.1 K	€30,445 K	100%	€31,325 K	€31,325 K	€55,981 K		€56,158 K	€1,751 K	
TOUAX UK	1£	0£	100%	0k€	0k€			£1,799 k	£114 k	€62 K
TOTAL FOR THE FOREIGN SUBSIDIARIES				**€31,391 K**	**€31,391 K**	**€55,981 K**				**€62 K**
SUBSIDIARIES TOTAL				**€139,034 K**	**€139,034 K**	**€138,213 K**				**€7,562 K**

(1) Guarantees given for the benefit of subsidiaries are disclosed in the column for off-balance sheet commitments

20.3. FINANCIAL STATEMENTS

The consolidated financial statements are presented in section 20.1 page 69 and the financial statements are presented in section 20.2 page 116.

20.4. AUDITORSHIP

20.4.1.Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

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, 2015 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 Management Board. 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, 2015 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 wish to 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, 2015, 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 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 17.2 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, April 8, 2016

The Statutory Auditors

French original signed by

LNA	DELOITTE & ASSOCIES
Brigitte GUILLEBERT	Jean-François VIAT

20.4.2. Statutory Auditors' report on the financial statements

Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

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, 2015 on:

- the audit of the accompanying financial statements of Touax,
- the justification of our assessments,
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Management. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the 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 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall 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 financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2015 and the results of its operations for the year then ended in accordance with French accounting regulations.

II. Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code (*Code de commerce*) governing the justification of our assessments, we hereby inform you that the assessments which we performed covered the appropriateness of the accounting policies adopted. We bring to your attention the following matter:

- The Company assesses the book value of its equity interests using the method described in Note 2.3 to the financial statements. We have examined the methodology adopted by the Company and its implementation based on the available information and assessed the subsequent estimates.

Such assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific procedures and disclosures

We have also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

With respect to the information provided pursuant to Article L.225-102-1 of the French Commercial Code on the remuneration and benefits paid to company officers and the commitments made in their favor, we have verified their consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the data compiled by your Company from controlling companies or companies which it controls. Based on our procedures, we certify that this information is accurate and fairly stated.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the identity of shareholders and the percentage of voting rights.

Paris and Neuilly-sur-Seine, April 8, 2016

The Statutory Auditors

French original signed by

LNA	DELOITTE & ASSOCIES
Brigitte GUILLEBERT	Jean-François VIAT

20.4.3. Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements

Year ended December 31, 2015

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, conditions and the reasons for the Company's interest of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to article R. 226-2 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 226-2 of the French Commercial Code relating to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

With: SCI FRANKLIN LOCATION

Person concerned: MM. Fabrice and Raphaël WALEWSKI (Managing Partners of TOUAX SCA)

Object: Lease agreement

Pursuant to article L226-10 of the French Commercial Code, the following agreements and commitments, which were previously authorized by Supervisory Board on August 31st 2015, have been brought to our attention.

Your Company entered into a commercial lease in March 25th, 2011 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.

This lease was amended by agreement dated September, 1st 2015 and comes into effect on October, 1st 2015. This lease amendment concerns the decrease of the rental space and lower rents and these changes were motivated by reasons of economy and reduction of headquarters costs.

Expense recorded for the last quarter 2015 amounted to 256,513.91 € excluding VAT and including a provisions for occupancy expenses.

Agreements and commitments already approved by the shareholders' meeting

Pursuant to article R. 226-2 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

With: SCI Franklin Location

Persons concerned: Fabrice and Raphaël WALEWSKI (Managing Partners of Touax SCA)

Object: Lease Agreement

Your Company entered into a commercial lease in March 25th, 2011 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 remained in effect until September 30th 2015.

Expenses recorded between January 1st and September 30, 2015 concern the rent and occupancy expenses for an amount of € 873,299.10 excluding VAT.

The Supervisory board had to review the conditions of the lease, as detailed above, to reflect the reduction of space occupied by your company in the location made available by SCI FRANKLIN LOCATION

Paris and Neuilly-sur-Seine, April 8, 2016

The Statutory Auditors

French original signed by

LNA	DELOITTE & ASSOCIES
Brigitte GUILLEBERT	Jean-François VIAT

20.5. DATE OF THE LAST FINANCIAL INFORMATION

The last fiscal year for which the financial information has been audited ended on December 31, 2015.

20.6. INTERIM FINANCIAL REPORTS AND OTHER REPORTS

Not applicable

20.7. 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.

Dividends that remain unclaimed five years after the payment date will lapse and be paid to the state.

20.7.1. 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
2012	11 January 2013		0,50	5 735 033	2 867 517
2012	05 July 2013	892 151			892 151
TOTAL 2012			**0,50**		**3 759 667**
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**
2014	2 January 2015		0,50	5 876 528	2 938 264
2014	01 July 2015	400 017			400 017
TOTAL 2014			**0,50**		**3 338 281**

20.8. 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.

20.9. 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, 2015

Year	Share capital (€)	Issue premium (€)	Accumulated number of shares	Par value	Transactions
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	
2015	47 070 256	224	5 883 782	€ 8	Issue of 9 shares following exercise of 36 redeemable stock warrants

INFORMATION CONCERNING ISSUE AUTHORIZATIONS IN FORCE AT DECEMBER 31, 2015

The General Meeting of Shareholders of June 11, 2013, June 11, 2014 and June 11, 2015 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	Utilization during 2015	Total amount used
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (1)	unused	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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (1)	unused	nil
(1) The ceiling of € 20,000,000 is the maximum amount authorized for all capital increases par value.					
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 2015 (14th resolution)	11 August 2017	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (2)	unused	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 2015 (15th resolution)	11 August 2017	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (2)	8 888 888 €	8 888 888 €
Increase of the share capital - greenshoe option	Combined shareholders' meeting of 11 June 2015 (16th resolution)	11 August 2017	maximum of 15% of the initial issue	1 333 328 €	1 333 328 €
(2) The ceiling of € 20,000,000 is the maximum amount authorized for all capital increases par value.					

These authorizations were submitted to shareholders through separate resolutions.

Description of the authorization	Authorization date	Expiration date	Maximum amount athorized	Utilization during 2015	Total amount used
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€960,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (17th resolution)	11 December 2016			
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (18th resolution)	11 December 2016			
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (19th resolution)	11 December 2016			

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 64 of this document and in the paragraph 21.1.4 below

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, 2015 the share capital was made up of 5,883,782 fully paid-up stock with a par value of €8, representing 6,903,581 voting rights.

The breakdown of TOUAX SCA's capital and voting rights is detailed in section 18.1 page 65.

21.1.4.Potential capital

The equity warrants granted by TOUAX SCA are detailed in section 17.2 page 64.

The Group has issued bonds convertible into cash and/or new and/or existing shares (convertible bonds) whose characteristics are explained below:

Instruments	onvertible bonds
Date of General Meeting	11/06/2015
Date of the Management Board	07/07/2015
Total number of financial instruments issued	1 277 777
Conversion starting point for the tools	10/07/2015
Expiration date	10/07/2020
Issue price	18 €
Number of converted instruments	29
Number of financial instruments cancelled or lapsed	
Parity	1 convertible bond for 1 share
Number of instruments outstanding as of 31 December 2015	**1 277 748**
Potential capital in number of shares	1 277 748

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 above.

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.

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 2015, TOUAX stock was worth €10, down 32% compared with the price on December 31, 2014 (€14.70). The highest price of the year was €16.80 on February 27, 2015 and the lowest price was €9.85 on December 2, 2015.

At December 31, 2015, the Group's market capitalization came to €58.84 million, compared with a consolidated book equity (without hybrid capital) for the Group of €92.7 million on the same date.

YEAR *(in €)*	**2015**	2014	2013
Consolidated figures			
Net dividend per share distributed during the year	0,50	0,50	0,50
Total dividend distributed during the year	2 938 264	2 938 889	2 867 516
Dividend increase	-0,02%	2,49%	-49,65%
Total number of shares at December 31	5 883 782	5 883 773	5 883 773
Share price ratios			
Net earnings per share	-4,08	-2,2	-2,63
P/E ratio (1)	-	-	-
Total return on the share (2)	5,00%	3,40%	2,64%
Share price data			
Maximum share price	16,80	21,03	21,45
Minimum share price	9,85	13,51	15,71
Share price at December 31	10,00	14,70	18,94
Market capitalization at December 31 (€m)	58,84	86,49	111,44
Average daily volume of transactions (€ thousands)	79,96	51,12	85,57
Average daily number of shares traded	6 689	2 866	4 611

(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.

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)
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
March 2015	16,49	15,21	15,42	41 377	661,16
April 2015	15,42	15,05	15,05	105 237	1 586,74
May 2015	15,5	15,05	15,05	64 209	969,63
June 2015	15,6	14,68	14,85	48 618	733,89
July 2015	15,72	14,11	14,92	49 986	753,06
August 2015	14,91	14,01	14,25	73 013	1 045,24
September 2015	14,14	11,6	12,53	30 419	385,76
October 2015	13,1	12,25	13,05	253 331	3 070,15
November 2015	13,07	12,11	12,33	40 302	508,52
December 2015	12,47	9,85	10,00	897 730	9 097,90
January 2016	9,90	7,45	8,79	86 231	760,47
February 2016	8,95	8,21	8,94	51 727	441,99
March 2016	9,25	8,9	8,95	101 227	914,91

21.2.4. Strict conditions for altering shareholders' rights

Not applicable

21.2.5. Conditions governing General Meetings

Cf. paragraph 21.3 below concerning the extract dedicated to General Meetings.

21.2.6. Provisions restricting change of control

Cf. paragraph 21.3 below.

21.2.7. Crossing of thresholds

Cf. paragraph 21.3 below concerning the extract dedicated to exceeding thresholds.

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 Luxembourg joint-stock company (SA), capital stock €7,271,010, whose registered office is located at 124 bvd de la Pétrusse, L-2330 Luxembourg, registered under reference number B185375, Mr Raphaël Colonna WALEWSKI, being one of the directors.
  - (b) Société Holding de Gestion et de Participation, a Luxembourg joint-stock company (SA), capital stock €7,293,510, whose registered office is located at 23 route d'Arlon, L-8008 Strassen, registered under reference number B185331, Mr Fabrice Colonna WALEWSKI, being one of the directors.
- 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 non registered securities**

The partnership may at any time apply to Euroclear France for the identity of the holders of non registered 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*).

Recent modifications were made in 2015. Article 6 "capital stock" was modified following an increase in capital and articles 1, 18.2 and 18.3 were also modified.

- **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

A simplified organization chart is provided in paragraph 7.1 page 57.

The Group owns two significant subsidiaries, TOUAX Container Leasing Pte Ltd, a company incorporated in Singapore and Touax Rail Limited, a company incorporated in Ireland.

All the Group's consolidated companies are listed in the Notes to the consolidated financial statements note 2.2 page 87 and the direct subsidiaries of Touax SCA are listed in the Notes of the annual financial statements note 26.5 page 129.

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 585,400 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 8th 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 47,900 units,
- 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 10,800 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 the General Partners.

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 2015 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. A complete list of the consolidated companies by TOUAX is given in note 2.2 page 87.

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 diversification of our business 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 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, harvests season, local demand for goods, governmental policies for importing and exporting goods and international trade patterns.

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 since 2012 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 since 2012 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 and we are streamlining our agencies. 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 parallel, we are focusing our efforts on new markets where we believe demand for modular construction will be strong, mainly in Africa, which we are targeting through our Moroccan entity, 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 Germany, we saw a significant need for housing for refugees in 2015, pulling up the selling and leasing business. Similarly, activity in Poland has been experiencing a sustained recovery since 2014. However, signs of recovery differ to a smaller or larger degree depending on the country in which we operate.

The paragraph 6.1.1 page 36 gives a thorough analysis of the macroeconomic conditions and other market factors that affect demand for our products and services.

- **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 equipment, the number of units 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. We are particularly affected by changes in utilization rate in our Modular Buildings, River Barges and Freight Railcars division, as a majority of these equipment 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 managed assets, for which decrease in revenue or increased costs are reflected in reduced distributions to investors.

We 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

Utilization rate in our Shipping Containers division excludes shipping containers produced but not yet 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, 2014 and 2015.

	As of and for the year ended December 31	
	2015	**2014**
Shipping Containers		
Units under management (at period end, in TEU)	585 396	627 108
Average utilization rate	87,5%	90,5 %
Modular Buildings		
Units under management (at period end, in number of units)	47 946	50 820
Average utilization rate	70,2%	65,3 %*
Freight Railcars		
Units under management (at period end, in number of platforms)	9 500**	7 349
Average utilization rate	78,9%	78 %
River Barges		
Units under management (at period end, in number of barges)	123	121
Average utilization rate	94,9%	94,5 %

* the average utilisation rate in 2014 has been restated in order to compare it with 2015

** excluding the 1300 railcars under management for maintenance

*** excluding chartered barges

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
- 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, we can also affect utilization rates through limiting where lessees can redeliver containers at the end of a lease, so that containers are located where they would be most in leasing demand.

Changes in the size of our fleet have an effect on our results of operations, either through increasing our fleet with purchases or through reducing our fleet by engaging in disposals. 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. 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. 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 new equipment in our Modular Buildings, Freight Railcars and River Barges divisions unless we have signed a lease agreement with a customer.

We effect two types of sales: syndications to investors and sales to final customers. Based on market conditions and our liquidity needs, we sell off equipment to investors with whom we establish an asset management relationship or we sell equipment to final customers either through a sale or after it has exercised a purchase option at the end of a 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 boost our revenue for the period in which the sale was made. After a sale, we will not derive leasing 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. Syndications are sales of 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 leasing revenue streams tied to that asset throughout the asset management agreement that we enter into with our third-party investors.

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.

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.

- **Owned and managed fleet**

Our main activity comprises the leasing of standardized mobile equipment. We finance the growth of our fleet of rental equipment in two principal ways: through debt and/or equity on our balance sheet or through syndication to third-party investors.

The total gross book value of our rental fleet was approximately €1,809.5 million as of December 31, 2015, an increase of approximately €100.7 million from December 31, 2014. We owned 40.8% of our total rental fleet and the remaining 59.2% 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, 2014 and 2015.

,	As of December 31,			
	2015		2014	
	Owned by the Group	owned by third party investors	Owned by the Group	owned by third party investors
Shipping Containers	63 060	893 512	60 061	829 081
Modular Buildings	324 780	14 440	324 912	31 688
Freight Railcars	268 444	142 449	244 748	123 307
River Barges (1)	81 602	21 215	78 778	16 215
TOTAL	**737 886**	**1 071 616**	**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.

We buy shipping containers, river barges and freight railcars from supplier factories. Modular buildings are generally manufactured in our two factories.

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 mainly, we syndicate portions of our fleet 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. These investors are 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 the purchase of equipment, pursuant to which we undertake, but with no warranty, to lease and manage their equipment and in return distribute revenue earned from rentals of such equipment to the investor, less a management fee. Equipment are managed 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 TOUAX and the investors and to show them that our interests are aligned.

We earn margin on our syndicated fleet in several ways. First, we realize margin when 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 have several choices: we repackage the portfolio for syndication to a new investor, sell the 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 leasing of both our owned and managed equipment in the leasing revenue, as we act as a principal and not as the agent for the major portion of the assets managed by the Group. Similarly, operating expenses corresponding to all of the equipment that we manage, regardless of whether we own it or have syndicated it, are recorded in the expenses.
- Our third-party management profit margin is included in leasing revenues from managed equipment, less associated operating expenses and less distribution to investors. The third-party management margin is equivalent to our commission 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 new equipment. Syndication is a means for us to grow our fleet without increasing our leverage or our gearing. When we keep the equipment on our balance sheet, we bear 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 equipment that we manage for third parties 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 managing rental equipment for third-party investors and the know-how of TOUAX.

We finance our equipment purchases through different means, depending whether we intend to keep equipment on our balance sheet or syndicate it to a third-party investor. We use a combination of cash on hand and temporary drawings under our revolving credit lines, assets financing line and finance leases in order to finance our equipment.

➢ **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 reflecting 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.

Our overall performance has been positive in the transportation business in 2015 but does not compensate our Modular Buildings division. During 2015, our Modular Buildings business was mainly affected by an increase in the costs incurred in preparing the modules for leasing (transport, assembly and subcontracting) resulting from a higher output of modular buildings for their leasing. These preparation costs are recorded when they are implemented. The corresponding leasing income is spread over the term of the leases.

The difference in revenue from our Shipping Containers business in 2015 was mainly due to a lower volume of syndications than in 2014. During the year ended 31 December 2015, we achieved lower margins as a result of a 2015 that was marked by lower raw material prices. The decline in steel prices and resulting lower purchase price of new containers has led to an erosion of leasing rates and sales prices of used containers. TOUAX has prioritised the protection of its leasing rates and adapted its fleet to demand with a significant increase in used sales.

The lower performance of our River Barges business in 2015 is mainly explained by the absence of sales of used river barges as the Group took advantage of favourable market conditions to sell assets in 2014.

The lower performance of our Freight Railcars business is mainly explained by the effect on the rental income of US railcar sales in 2014 and an erosion of leasing prices partially offset by continued improvement in the leasing activity in Europe and the commissioning of new railcars built for the European and Asian market.

- **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 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, 2015, we estimate that a 10% decrease in the exchange rate of the U.S. dollar against the Euro would result in a 2.7% drop in our current operating loss.

The sensitivity of our equity and our current operating income to fluctuations in exchange rates is set in note 29.5 of the consolidated financial statements ended December 31, 2015.

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 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, 2015, our net hedging positions amounted to €51.4 million.

- **Acquisitions, disposals and joint ventures**

We have engaged in strategic acquisitions either in order to gain access to new markets or to increase market share in our existing markets. Notably, in July 2012, we acquired 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.

In the Freight Railcars division, we are party to several joint ventures. In 1998, our subsidiary TOUAX Corporation, then TOUAX Rail Limited ("TRL"), invested 51% in 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. In June 2014, TRL and CFCL concluded an agreement to liquidate CFCL-Touax, under the terms of which CFCL-Touax agreed to sell its fleet of railcars.

Further, in February 2012, 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%. Since the acquisition of control of SRFRL, we have fully consolidated it in our financial statements since January 1, 2012 (previously consolidated by equity method).

Finally in December 2015, TOUAX Rail Finance 3 Ltd. ("TRF3") was formed with a view to taking over General Electric's European railcar leasing business. This company's capital is held by third party investors for a total of 73.8% and by the Group for 26.2% (this being consolidated by the equity method). Bank financing of assets was set up to complete the financing of this acquisition. In total, TRF3 acquired 1,912 freight railcars leased in continental Europe and the UK.

This transaction will strengthen the position of TOUAX Rail Limited in Europe with a fleet of about 10,500 railcars (platforms), including hopper cars for the transportation of aggregates, railcars for the transport of steel coils, intermodal railcars for containers and road trailers, open railcars and curtain-sided railcars for the transport of palletised products. General Electric employees working in this business have been taken on by TOUAX Rail Ltd, with the latter ensuring the management of the TRF3 railcar fleet. It should be noted that TRF3 directly invoices its customers and that no distribution to investors is recorded in the Group's accounts. Invoicing will be managed by Touax Rail Ltd only after the renewal of leasing contracts and a gradual increase in leasing revenues and distribution to investors will be recorded in the Group's accounts.

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, and in particular our net financial expense, will be affected by the amount of our indebtedness, including the interest we pay thereon.

Description of Key Income Statement Line Items

Revenue consists of leasing revenue and sales of equipment.

Leasing revenue records mainly rents received from operating leases on the overall equipment managed by us, either on our own behalf or on behalf of third-party investors, as well as 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 for our River Barges division revenues from transport, chartering and storage businesses. 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 our Modular Buildings division (production of new equipment for sale), (iii) syndications or sales 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. 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 manufacture 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, as well as all the costs associated to sales.

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, 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.

General and administrative expenses 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

Operating income

The table below sets forth certain line items from our income statement for the years ended December 31, 2014 and 2015.

(€ thousands)	Year ended December 31,	
	2015	**2014**
Leasing revenue	224 975	206 189
Sales of equipment	123 265	172 501
Total revenue	**348 240**	**378 691**
Capital gain (loss) on disposals	172	172
Income from ordinary activities	**348 412**	**378 863**
Cost of sales	(105 913)	(157 363)
Operating expenses	(116 715)	(97 859)
Selling, general and administrative expenses	(29 083)	(28 718)
Gross operating margin (EBITDAR)	**96 701**	**94 923**
Depreciation, amortization and impairments	(46 988)	(36 013)
Operating income before distribution to investors	**49 713**	**58 910**
Net distribution to investors	(60 474)	(54 946)
Current operating income	**(10 761)**	**3 964**
Other revenues (expenses), net	(2 359)	134
Operating income	**(13 120)**	**4 098**
Interest income	164	205
Interest expense	(15 706)	(17 509)
Net interest expense	**(15 542)**	**(17 304)**
Other financial income (expenses), net	160	(421)
Net financial expense	**(15 382)**	**(17 725)**
Profit (loss) of investments in associates	117	
Profit before tax	**(28 385)**	**(13 627)**
Income tax benefit (expense)	1 372	423
Consolidated net income (loss)	**(27 013)**	**(13 204)**
Minority interest	3 058	282
CONSOLIDATED NET INCOME (LOSS) (GROUP'S SHARE)	**(23 955)**	**(12 921)**

EBITDA and pre-tax profit adjusted for non-recurring items

The year 2015 was marked by very significant non-recurring items, which mask the operational performance. In 2015, the Group decided to accelerate its strategy of streamlining its modular building fleets. So, in France and the United States, where utilisation rates remained low, it was decided to accelerate the sales of non-leased and used equipment. An exhaustive review of the fleets in these countries was conducted to identify the assets held for sale and estimate their selling price. Depreciation on these assets in France and the United States was noted at €5.5 million and €4.5 million respectively. We are also recording an increase in the costs of preparing modules for leasing (transport, assembly and subcontracting) resulting from a higher output of modular buildings for their leasing.

So, by adjusting for these EBITDA elements and the pre-tax profit, the recurring operational performance of the year can be better assessed. So recurring EBITDA increased in 2015 mainly due to the resumption of the modular buildings business in Eastern Europe with a rise in utilisation rates and prices which should continue to increase in 2016. The effects are similar on pre-tax profit.

(€ thousands)	EBITDA*		PRE-TAX PROFIT	
	2015	2014	2015	2014
Balances	**36 227**	**39 977**	**(28 385)**	**(13 627)**
2015 variation compared to 2014	*(3 750)*		*(14 758)*	
2015 variation compared to 2014 (in %)	*-9%*		*-108%*	
Exceptional impairment for assets	745		11 554	1 700
Provisions for risks	1,344		1 344	
Additional costs for module preparation	1 561		1 561	
Exceptional costs / (income)		(2 000)		(2 000)
Fees on draft debt issuance			2 359	
Convertible bonds valuation			(728)	
Balances adjusted for non-recurring items	**39 877**	**37 977**	**(12 296)**	**(13 927)**
2015 variation compared to 2014	*1 900*		*1 631*	
2015 variation compared to 2014 in %	*5%*		*12%*	

*EBITDA corresponds to the EBITDAR presented in our income statement with net distributions to investors deducted from it

Year Ended December 31, 2015 Compared with Year Ended December 31, 2014

Revenue

The table below sets forth key breakdowns of our revenue for the years ended December 31, 2015 and 2014:

Revenue by division	Year ended December 31, 2015	Contribution	Year ended December 31, 2014	Contribution	*Variation*
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(in %)*
Shipping Containers	**170 595**	**49%**	**215 868**	**57%**	**(45 273)**
Leasing revenue	104 411	30%	90 379	24%	14 032
Sales of equipment	66 185	19%	125 489	33%	(59 305)
Modular Buildings	**118 901**	**34%**	**94 116**	**25%**	**24 785**
Leasing revenue	72 508	21%	66 344	18%	6 165
Sales of equipment	46 393	13%	27 773	7%	18 620
Freight Railcars	**16 440**	**5%**	**21 794**	**6%**	**(5 354)**
Leasing revenue	16 041	5%	15 364	4%	677
Sales of equipment	399		6 430	2%	(6 031)
River Barges	**43 229**	**12%**	**47 061**	**12%**	**(3 831)**
Leasing revenue	32 909	9%	34 250	9%	(1 341)
Sales of equipment	10 320	3%	12 810	3%	(2 490)
Other	**(925)**		**(148)**		**(777)**
TOTAL REVENUE	**348 240**	**100%**	**378 691**	**100%**	**(30 451)**

➢ **Total revenue**

Total revenue decreased by €30.4 million (equal to -8%), changing from €378.7 million at the end of the financial year on 31 December 2014 to €348.2 million at the end of the financial year on 31 December 2015, due to a decrease in syndications with investors in the Shipping Containers business. Revenues decreased by 16% with constant currency and scope.

Leasing revenue increased by €18.8 million, from €206.2 million at 31 December 2014 to €225 million on 31 December 2015, equal to a change of 9.1% The change in leasing revenues at constant scope and currency is stable, at +0.1%.

The increase of 15.5% in leasing revenues for the Shipping Containers division is explained by the appreciation of the dollar against the euro. At constant exchange rates, leasing revenues from this division decreased by 4%. The Modular Buildings division increased its leasing revenues by 9.3%. The leasing business of the River Barges division which is mainly denominated in dollars has increased its leasing revenues by 4.4% while at constant currency it shows a slight decrease of -1%. Revenue in the Freight Railcars division was slightly down, by -3.9%.

Equipment sales were down by €49.2 million (-28.5%), changing from €172.5 million on 31 December 2014 to €123.3 million for 2015. The Shipping Containers, Freight Railcars and River Barges divisions are down while the Modular Buildings division is dramatically increasing its sales.

- **Revenue of the Shipping Containers Division**

Revenue generated by the Shipping Containers division decreased by €45.3 million (-21%), changing from €215.9 million in 2014 to €170.6 million in 2015. At constant euro/dollar exchange rates, the revenue generated by this business has decreased by 34.2%. This variation is explained by lower container syndications.

The leasing revenues generated by our Shipping Containers division increased by €14 million (or +15.5%), changing from €90.4 million in 2014 to €104.4 million on 31 December 2015. At constant euro/dollar exchange rates, the leasing revenue from our Shipping Containers division fell by 4%. The decrease in leasing revenues was due to a lower average utilisation rate which changed from 90.5% in 2014 to 87.5% in 2015 and lower daily rental rates.

Equipment sales in the Shipping Containers division fell by €59.3 million (or -47%) changing from €125.5 million in 2014 to €66.2 million in 2015. Container portfolio sales to investors were down in 2015 (investors awaiting the recovery of growth in world trade), equal to -€74.8 million, while sales of used containers to clients increased by €15.5 million.

- **Revenue of the Modular Buildings division**

The leasing revenues generated by our Shipping Containers division increased by €24.8 million (or +26.3%), changing from €94.1 million in 2014 to €118.9 million in 2015. This increase is mainly explained by a recovery of the business in Germany, the Czech Republic and Poland.

Leasing revenue has increased by €6.2 million (or +9.3%), changing from €66.3 million in 2014 to €72.5 million in 2015. This increase is mainly located in Germany where demand for housing for refugees is significant, in Poland with a very buoyant construction market and the Benelux countries where subsidiaries have signed important new contracts. France's leasing revenues are still suffering from the difficult economic situation and in particular from the weakness of the construction market. The average utilisation rate rose significantly from 65.3% in 2014 to 70.2% in 2015. The average leasing rate was stable between the two periods.

Equipment sales in the Modular Buildings division increased by €18.6 million (or -67%) changing from €27.8 million in 2014 to €46.4 million in 2015. This increase is common to almost all the countries where we operate.

- **Revenue of the Freight Railcars division**

The revenue generated by our Freight Railcars division decreased by €3.8 million (or -8.1%), changing from €47.1 million in 2014 to €43.2 million in 2015. The leasing business, like the sales business, was down in 2015.

The leasing revenue generated by our Freight Railcars division decreased by €1.3 million (or -3.9%), changing from €34.3 million in 2014 to €32.9 million in 2015. This decrease in leasing revenue was primarily due to lower leasing rates since 2014 offset by an increase in the average utilisation rate, which rose from 78% for 2014 to 79% for 2015. The sale of part of the fleet of American railcars in 2014 also explains part of the decline in full year leasing revenues in 2015.

Sales of materials in our Freight Railcars division fell by €2.5 million (or 19.4%), changing from €12.8 million in 2014 to €10.3 million in 2015, with sales being fewer in number in 2015 than in 2014 when we had taken advantage of an opportunity to sell our American railcars.

- **Revenue of the River Barges division**

The revenue generated by our River Barges division increased by €5.4 million (or -24.6%), changing from €21.8 million in 2014 to €16.4 million in 2015. This variation is explained by lower sales of barges while leasing revenues remained stable (slightly down at constant currency).

The leasing revenue generated by the River Barges division increased by €0.7 million (or 4.4%), changing from €15.4 million in 2014 to €16 million in 2015. This increase is explained by the appreciation of the dollar against the euro; at constant currency the leasing revenue decreased by 1%. The sale of barges in 2014 partly explains the decline in leasing revenues.

Equipment sales in the River Barges division fell by €6 million (or -93.8%) changing from €6.4 million in 2014 to €0.4 million in 2015. The decrease in equipment sales reflects the decline in our sales opportunities for river barges, particularly in North America and in France, where we sold 10 and 4 barges in 2014 respectively compared with one barge in 2015 on the Rhine basin.

Cost of sales

The table below sets forth breakdowns of our cost of sales by division for the years ended December 31, 2015 and 2014.

Cost of sales	Year ended December 31, 2015	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 %)*	*(€ thousands)*	*(in %)*
Shipping Containers	(61 971)	94 %	(121 111)	97 %	59 141	-49 %
Modular Buildings	(38 912)	84 %	(23 048)	83 %	(15 864)	69 %
Freight Railcars	(174)	44 %	(4 772)	74 %	4 597	-96 %
River Barges	(4 887)	47 %	(8 439)	66 %	3 551	-42 %
Corporate/Eliminations	31		6		25	
TOTAL COST OF SALES	**(105 913)**		**(157 363)**		**51 450**	**-33%**
TOTAL COST OF SALES AS A % OF SALES OF EQUIPMENT		**86%**		**91%**		**-33%**

- **Total cost of sales**

Total cost of sales decreased by €51.4 million, or 33%, from €157.4 million to €105.9 million in the year ended December 31, 2015.

- **Cost of sales of the Shipping Containers division**

Sales in our Shipping Containers division fell by €59.1 million (or -48.8%) changing from €121.1 million in 2014 to €62 million in 2015. This decrease is mainly attributable to a lower volume of syndications. The margin on sales remained stable in absolute terms due to a larger volume of sales of used containers in 2015 than in 2014.

- **Cost of sales of the Modular Buildings division**

Sales in our Modular Buildings division increased by €15.9 million (or -69%) changing from €23 million in 2014 to €38.9 million in 2015. This variation is explained by the increase in sales in 2015. The sales margin on modular buildings rose significantly in 2015. It rose from €4.9 million in 2014 to €7.5 million in 2015 embodying the high growth in the sales business in 2015.

- **Cost of sales of the Freight Railcars division**

Sales in our Freight Railcars division fell by €3.6 million, changing from €8.4 million in 2014 to €4.9 million in 2015. The sale of the fleet of US railcars impacted the 2014 financial statements. The margin on sales improved between the two periods thanks to sales opportunities for used railcar portfolios.

- **Cost of sales of the River Barges division**

Sales in our River Barges division fell by €4.6 million (or -96%) changing from €4.8 million in 2014 to €0.2 million in 2015. The division had few opportunities to grow its sales in 2015.

Operating expenses

The table below sets forth breakdowns of our operating expenses by division for the years ended December 31, 2015 and 2014.

Operating expenses	Year ended December 31, 2015	As a percentage of divisional revenue	Year ended December 31, 2014	As a percentage of divisional revenue	Variation	
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(€ thousands)*	*(in %)*
Shipping Containers	(36 568)	21 %	(28 215)	13 %	(8 352)	30 %
Modular Buildings	(60 171)	51 %	(49 411)	52 %	(10 760)	22 %
Freight Railcars	(7 521)	46 %	(7 187)	33 %	-333	5 %
River Barges	(13 039)	30 %	(13 505)	29 %	466	-3 %
Corporate/Eliminations	584	n.a.	459	n.a.	125	
TOTAL OPERATING EXPENSES	**(116 715)**	**34 %**	**(97 859)**	**26 %**	**(18 856)**	**19 %**

- **Total operating expenses**

Operating expenses increased by €18.9 million, or 19%, from €97.9 million in 2014 to €116.7 million in 2015. This increase was primarily attributable to increases in expenses in our Modular Buildings and Shipping Containers divisions.

- **Operating expenses of the Shipping Containers division**

The operational expenses incurred in our Shipping Containers division increased by €8.4 million (or -30%) changing from €28.2 million in 2014 to €36.6 million in 2015.

The variation of €8.4 million was in large part due to changes in the dollar between the two periods, namely €5.9 million. The residual variation of €2.5 million was due to:

- an increase of €2.1 million in storage costs due to a lower average utilisation rate that changed from 90.5% in 2014 to 87.5% in 2015;
- an increase of €0.6 million in maintenance and repair costs;
- a decrease of €0.5 million in transportation costs.

The accounting of insurance charges for a total of €1.3 million in 2014 adversely impacted the variation between the two periods, however, it is offset by the end of leases for deconsolidated containers of €1.6 million.

- **Operating expenses of the Modular Buildings division**

The operational expenses incurred in our Modular Buildings division increased by €10.8 million (or 22%) changing from €49.4 million in 2014 to €60.2 million in 2015.

This variation is mainly explained by:

- Additional costs for equipment preparation linked to the leasing of assets of €1.6 million. These costs cannot be reinvoiced.
- Increased costs of additional services for leasing (transport, assembly and subcontracting) of €3.7 million. This increase is linked to the increase in the fleet utilisation rate. The costs of additional services for leasing are reinvoiced to customers immediately.
- A variation of €4.4 million of other income and expenses between the two periods. Other income and expenses in 2014 showed various allowances, including €2 million received in settlement of litigation against a service provider, €0.5 million of insurance indemnities products in the Czech Republic and €0.4 million of income corresponding to the resolution of a dispute with a customer in Germany while in 2015 a provision for risks relating to a supplier dispute in the Czech Republic for €1.2 million was recorded.
- An increase of €0.6 million in provisions for bad debts in 2015.
- An increase of €0.2 million in provisions for stocks in 2015.

- **Operating expenses of the Freight Railcars division**

Operational expenses for the Freight Railcars division fell by €0.5 million from €13.5 million in 2014 to €13 million in 2015.

Expenses for maintaining and servicing railcars belonging to investors decreased over the period to about €1 million. Operational expenses include a provision for corporate risks amounting to €0.45 million offset by a miscellaneous income of €0.4 million relating to late penalties in the delivery of railcars ordered by the Group. Bad debts increased by €0.4 million over the period.

- **Operating expenses of the River Barges division**

Operational expenses in the River Barges division increased by €0.3 million (or 5%), from €7.2 million in 2014 to €7.5 million in 2015. Chartering expenses increased in 2015 in correlation with chartering revenues, equal to an increase of €1.2 million.

Operational expenses include insurance indemnities for €0.3 million in 2015. Expenses for the subletting of barges fell by €0.2 million, repair costs by €0.15 million and provisions for bad debts by €0.2 million.

General and administrative expenses

The table below sets forth breakdowns of our General and administrative expenses by division for the years ended December 31, 2015 and 2014.

General and administrative expenses	Year ended December 31, 2015	As a percentage of divisional revenue	Year ended December 31, 2014	As a percentage of divisional revenue	Variation	
	(€ thousands)	*(in %)*	*(€ thousands)*	*(in %)*	*(€ thousands)*	*(in %)*
Shipping Containers	(9 455)	6 %	(8 763)	4 %	-692	8 %
Modular Buildings	(9 398)	8 %	(9 052)	10 %	-346	4 %
Freight Railcars	(4 000)	24 %	(4 256)	20 %	256	-6 %
River Barges	(7 417)	17 %	(6 580)	14 %	-837	13 %
Corporate/Eliminations	1 186	n.a.	-66	n.a.	1 252	n.a.
TOTAL	**(29 083)**	**8 %**	**(28 718)**	**8 %**	**-365**	**1 %**

- **Total general and administrative expenses**

General and administrative expenses increased by €0.4 million, or 1.3%, from €28.7 million in 2014 to €29.1 million in 2015.

- **General and administrative expenses of the Shipping Containers division**

The general and administrative expenses incurred in our Shipping Containers division increased by €0.7 million (or 8%) changing from €8.8 million in 2014 to €9.4 million in 2015. This increase is explained by the appreciation of the dollar against the euro.

- **General and administrative expenses of the Modular Buildings division**

The general expenses and administrative costs incurred in our Modular Buildings division increased by €0.3 million (or 4%) changing from €9.1 million in 2014 to €9.4 million in 2015. This increase is explained by an increase of €0.4 million in personnel costs and €0.2 million of other expenses, a decrease in travel costs of €0.2 million and fees of €0.2 million, as well as reinvoicing of support services showing an increase of €0.2 million.

- **General and administrative expenses of the Freight Railcars division**

The general and administrative expenses incurred in our Freight railcars division increased by €0.8 million (or 13%) changing from €6.6 million in 2014 to €7.4 million in 2015.

The variation is explained by the reinvoicing of support services of different Group holding companies totalling €0.7 million, personnel costs of €0.3 million and fees of -€0.3 million.

- **General and administrative expenses of the River Barges division**

General and administrative expenses for the River Barges division fell by €0.3 million or (-6%). A decrease in personnel costs of €0.3 million, travel expenses of €0.2 million and fees of €0.1 million was recorded. The reinvoicing of support services increased by €0.3 million.

- **Central costs**

The Group's central costs increased by 4% (equal to €0.4 million) from €11.4 million in 2014 to €11.8 million in 2015.

Personnel expenses increased by €0.7 million due to the positive impact of provision adjustment based on salaries in 2014 and the full-year integration of TOUAX UK in 2015. There is a decrease in fees of €0.1 million, of insurance costs of €0.1 million and other expenses of €0.1 million (adjustment of provisions made in previous years).

Depreciation, amortization and impairments

Depreciation and amortisation increased by €11 million, or 30%, changing from €36 million in 2014 to €47 million in 2015.

In 2015, the Group decided to accelerate its strategy of streamlining its modular building fleets. So, in France and the United States, where utilisation rates remained low, it was decided to accelerate the sales of non-leased, used equipment. An exhaustive review of the fleets in these countries was conducted to identify the assets held for sale and estimate their selling price. Depreciation of these assets in France and the United States was noted at €5.5 million and €4.5 million respectively (€10.3 million on 31 December 2015 compared with €1.7 million on 31 December 2014).

The decline in steel prices in 2015 and subsequently the purchase price of shipping containers generated a lower sales price for used equipment. The review of shipping containers for sale has revealed a provisioned impairment totalling €425,000. It should be noted that €174,000 is recorded as stock depreciation and €251,000 as impairment of assets.

Finally, the review of other assets of the Group showed a loss of €300,000 for river barges.

- **Depreciation and asset impairment provisions in the Shipping Containers** division increased by €0.6 million. In dollars, the variation totals $0.1 million including $0.3 million which is due to the accounting of an asset impairment. The average base for depreciation over 2014 stood at $60.9 million for an average base for depreciation in 2015 of $54.2 million.
- **Depreciation and asset impairment provisions in the Modular Buildings** division increased by €9 million, or 43%. A total of €10.3 million of non-recurring depreciation for asset impairment of assets was recorded in 2015 in France (€5.5 million), the US (€4.5 million) and Panama (€250,000).
- **Depreciation and asset impairment provisions in the Freight railcars** division increased by €0.6 million. Net acquisitions of tangible assets (acquisitions less disposals in gross value) increased by €4.3 million in 2015, bearing in mind that sales of assets took place at the end of the year.
- **Depreciation and asset impairment provisions in the River barges** division increased by €0.5 million. This variation includes asset impairment on Eurobulk barges for €0.3 million. Net acquisitions of tangible assets (acquisitions less disposals in gross value) decreased by €0.5 million in 2015, bearing in mind that the sale of assets took place at the end of the year.

Net distribution to investors

Net distribution to investors increased by €5.5 million (equal to +10%), changing from €54.9 million in 2014 to €60.5 million in 2015. This increase is explained by the change in the euro-dollar parity.

The contribution made by the Shipping Containers division to this item is greater, since 83% of the fleet managed for third parties is represented by shipping containers. The functional currency for the Shipping Containers division is the dollar.

At constant currency, distributions to investors fell by €4 million or -7%. The Shipping Containers division contributed a total of €3.4 million to this decrease and the Modular Buildings division a total of €0.6 million. On behalf of investors, the Shipping Containers division managed 478,713 CEUs at the end of 2015 compared to 507,236 CEUs at the end of 2014.

The reduction in distributions in the Shipping Containers division is explained by a decrease of the fleet managed on behalf of investors due to significant sales of these assets in 2015 and by a decline in utilisation rates between the two periods.

The reduction in distributions in the Modular Buildings division is explained by the acquisition of a fleet by an investor.

Other revenues (expenses), net

In 2015, other operating income and expenses showed a loss of €2.4 million related to the costs of a "High Yield" debt issuance project which did not end up being realised. The Group chose to refinance through its banking financial partners for a financial cost more in line with its businesses.

Net financial expense

The net financial expense decreased by €2.3 million (or -13%), changing from an expense of €17.7 million in 2014 to an expense of €15.4 million in 2015. This decrease is explained by a decrease in average debt between the two periods (€433 million in 2014 compared to €406 million in 2015) and a slight decrease in the average interest rate (4% in 2014 compared to 3.86% in 2015).

Corporation tax

Income tax showed a tax income of €1.4 million for a pre-tax profit of -€28.4 million. It breaks down into deferred tax income of €2.8 million and a current tax charge of €1.4 million. The Group limits its deferred tax assets on losses by the principle of prudence.

Cash Flow

The following table summarizes our cash flow for the years ended December 31, 2014 and 2015.

(€ thousands)	Year ended December 31,	
	2015	**2014**
Cash flow from operating activities	**41 625**	**57 082**
Cash flow from investing activities	**(5 825)**	**(329)**
Cash flow from financing activities	**(63 871)**	**(37 193)**
Cash flow from exchange rate fluctuations	**2 796**	**3 862**
Change in net cash position	(25 276)	23 422
Cash at the beginning of the period	70 179	46 757
Cash at the end of the period	44 903	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, 2014 and 2015.

(€ thousands)	Year ended December 31,	
	2015	**2014**
Self-financing capacity before net interest expense and tax	32 509	32 235
Taxes paid	(1 433)	(1 199)
Change in working capital requirements relating to operations excluding changes in inventory	19 152	12 452
Change in inventory	*(30 210)*	*3 636*
Change in working capital requirements for investment	*17 604*	*(16 079)*
Acquisition of assets intended for leasing	*(22 196)*	*(20 467)*
Revenue from sale of assets	*25 021*	*44 609*
Net impact of finance leases granted to customers	*1 178*	*1 896*
Sub-total (1)	(8 603)	13 595
CASH FLOW FROM OPERATING ACTIVITIES	**41 625**	**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 operational profitability of our businesses diminished by taxes paid, changes in working capital requirements relating to operations excluding changes in inventory and cash flows related to our acquisitions and sales of assets.

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 can syndicate but have retained on our balance sheet for a long period (generally 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, 2015 compared to the year ended December 31, 2014**

Cash flow generated by operating activities was €41.6 million in the year ended December 31, 2015, as compared to cash flow generated by operating activities of €57.1 million in the year ended December 31, 2014, representing a decrease of €15.5 million. This decrease was primarily attributable to a decrease of sales revenue of assets, from €44.6 million for the year ended December 31, 2014 to €25 million in the year ended December 31, 2015, which was partially offset by an improvement in the change in working capital (excluding inventories), from €12.5 million for the year ended December 31, 2014 to €19.2 million for the year ended December 31, 2015.

Changes in inventories recorded the purchase of 270 wagons in 2015 for €19.3 million. These railcars are leased to a customer operating in the automotive sector and are intended to be sold to investors in 2016.

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, 2014 and 2015.

(€ thousands)	Year ended December 31,	
	2015	2014
Acquisition of tangible and intangible assets	(1 829)	(1 629)
Net change in loans and advances granted	(1 438)	(194)
Acquisition of financial assets	(2 750)	
Revenue from sale of assets	192	1 494
Effect of changes in the consolidation perimeter		
CASH FLOW USED IN INVESTING ACTIVITIES	**(5 825)**	**(329)**

Cash flow linked to investment operations totalled €5.8 million during the year ended 31 December 2015, against a cash flow used for investment activities of €0.3 million for the year ended 31 December 2014, equal to an increase of €5.5 million of cash flows linked to investment operations. The increase in cash flows related to investment operations for the year ended 31 December 2015 is primarily due to the opportunity taken by the Group at the end of the year to increase its fleet of railcars under management by acquiring a shareholding in TOUAX Rail Finance 3, a company consolidated by the equity method. This company was formed with a view to acquiring General Electric's European railcar leasing business. The capital of this company is held by third party investors at

73.8% and by the Group at 26.2%. Bank financing of assets was set up to complete the financing of this acquisition. In total, TRF3 acquired 1,912 freight railcars leased in continental Europe and the UK.

Cash flow generated 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, 2014 and 2015.

(€ thousands)	Year ended December 31,	
	2015	2014
Cash inflows from new loans	46 011	35 364
Loan repayments	(87 841)	(60 581)
Net change in financial debt	**(41 830)**	**(25 217)**
Net increase in shareholders' equity (capital increase)	1 385	15 001
Net cost of financial debt	(15 614)	(17 305)
Distribution of dividends	(3 288)	(5 027)
General Partners' statutory compensation	(400)	(509)
Payment of interest on Hybrid Capital	(4 039)	(4 060)
Net sale (acquisition) of warrants		
Net sale (acquisition) of own shares	(85)	(77)
CASH FLOW FROM FINANCING ACTIVITIES	**(63 871)**	**(37 193)**

Cash flow linked to financing operations stood at €63.9 million for the year ended 31 December 2015, against cash flow used for financing activities of €37.2 million for the year ended 31 December 2014, equal to an increase in cash flows used for financing activities of €26.7 million. This increase in cash flows linked to financing operations is partially due to a net decrease in higher borrowings during the year ended 31 December 2015 and the increase in shareholders' equity following the issuance of hybrid securities during the year ended 31 December 2014 which had a favourable effect on the cash flow linked to financing operations.

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 each division 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, 2014 and 2015 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,	
	2015	2014
Gross fixed assets investments		
Shipping Containers	*1 066*	*3 108*
Modular Buildings	*14 491*	*10 558*
Freight Railcars	*12 111*	*5 537*
River Barges	*462*	*2 941*
Miscellaneous	*116*	*483*
Total	28 245	22 627
Variation in inventory		
Shipping Containers	*10 977*	*(6 739)*
Modular Buildings		
Freight Railcars	*19 341*	*57*
River Barges		
Miscellaneous		
Total	30 318	(6 683)
Sale of fixed assets (historical gross value)		
Shipping Containers	*(14 846)*	*(23 328)*
Modular Buildings	*(16 717)*	*(17 774)*
Freight Railcars	*(5 076)*	*(8 890)*
River Barges	*(1 030)*	*(7 576)*
Miscellaneous	*(1)*	*(7)*
Total	(37 671)	(57 575)
Net investments in fixed assets and inventory		
Shipping Containers	***(2 804)***	***(26 960)***
Modular Buildings	***(2 226)***	***(7 216)***
Freight Railcars	***26 376***	***(3 297)***
River Barges	***(568)***	***(4 635)***
Miscellaneous	***115***	***477***
Total	***20 893***	**(41 630)**
Gross investment in managed assets		
Shipping Containers	*23 299*	*86 580*
Modular Buildings		
Freight Railcars	*41 780*	
River Barges		
Miscellaneous		
Total	65 078	86 580
Capitalized equipment sold to investors		
Shipping Containers	*7 814*	*19 100*
Modular Buildings		
Freight Railcars		
River Barges		
Miscellaneous		
Total	7 814	19 100
Sale of capitalized equipment		
Shipping Containers	*(61 596)*	*(30 762)*
Modular Buildings	*(17 248)*	*(493)*
Freight Railcars	*(22 341)*	*(18 235)*
River Barges		
Miscellaneous		
Total	(101 185)	(49 490)
Net investment in managed assets		
Shipping Containers	***(30 483)***	***74 917***
Modular Buildings	***(17 248)***	***(493)***
Freight Railcars	***19 438***	***(18 235)***
River Barges		
Miscellaneous		
Total	***(28 293)***	**56 189**
NET INVESTMENTS		
Shipping Containers	***(33 286)***	***47 957***
Modular Buildings	***(19 474)***	***(7 709)***
Freight Railcars	***45 814***	***(21 531)***
River Barges	***(568)***	***(4 635)***
Miscellaneous	***115***	***477***
TOTAL	**(7 400)**	**14 559**

We intend to continue to invest in new equipment financed by third party investors in line with our strategy.

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, 2014 and 2015.

(€ thousands)	As of December 31, 2015				
	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Total
Between 0 and 6 months	35 760	7 774	3 795	12 916	60 246
Between 6 months and 1 year	31 089	4 838	3 836	11 435	51 198
Between 1 and 5 years	99 648	5 609	19 060	26 563	150 880
More than 5 years	2 666	168	5 631	11 569	20 034
Total	**169 164**	**18 388**	**32 323**	**62 483**	**282 358**

(€ 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**

Off-Balance Sheet Arrangements

See note 31 to our audited consolidated financial statements for the year ended December 31, 2015.

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 29 to our audited consolidated financial statements for the year ended December 31, 2015.

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.

The cash generating units in the Group are:

- The Shipping Containers business as a whole,
- The Freight Railcars business as a whole (considering that the US business is not significant),
- The River Barges business on each basin (Mississippi, Parana-Paraguay, Seine/Danube, Rhine),
- The Modular Buildings business in each country (USA, France, Morocco/Africa, Germany, Poland, Czech Republic/Slovakia, Benelux, Spain, Panama).

➢ **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 transfer 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 note 1.21.2 and note 1.21.3 to our consolidated financial statements as of and for the year ended December 31, 2015).

The Group also carries out trading activities (buying goods for resale—see note 1.21.4).

Lastly, TOUAX sometimes sells its own equipment (fixed assets 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, 2015).

➢ **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.

As required by IAS 18, the Group must determine if it is acting as a principal or as an agent when providing a service or goods to customers.

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 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 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, 2015). Assignments of finance lease receivables are also included in sales of equipment.

Outlook

The Group's financial strategy aims to further lower its debt in order to create shareholder value, while improving its operating profitability to maximize free cash flow, and financing its growth mainly through third party investors.

The Group continues to implement a growth strategy of its operating cash flows with a stabilisation of its own assets, a growth of its assets under third-party asset management and improved utilization rates. TOUAX anticipates a positive operational income in 2016.

Shipping Containers: We observe a halt to the drop of the steel price, which stabilised at a low point, creating opportunities due to the weak purchase price of the new containers. TOUAX envisages greater investments in new containers in 2016 in association with its investors partners. The recent concentration of the industry should benefit the Group with the willingness of our clients to seek out alternative offers. The growth of containerised traffics is expected to be positive in 2016, China's decrease being compensated by increases in South East Asia, Europe and North America.

Modular Buildings: The dynamism of the market observed in Germany and in Eastern Europe is expected to continue in 2016 with positive impacts expected on the business account. The sales orders of new modular buildings in Europe registered at the beginning of the year are high. We observe a rise in utilization rates in 1015.

River Barges: We anticipate difficult market conditions in South America, which is adversely affected by the decrease in iron ore shipments, and we expect stabilisation in Europe.

Freight Railcars: Due to the acquisition of an additional fleet of around 2,000 railcars, Touax is diversifying its wagons fleet, reinforcing its position in Germany and establishing in the United Kingdom. The European intermodal railway transport market continues its steady increase since 2014. The lack of investments for the past several years in the sector created the need to replace the fleet of railcars, a large part of which will be financed by the lessors.

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 24, 2016 is provided in section 28.3 page 205.

Post-balance sheet events

None

Research and development activity

During the 2015 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.

Risk factors

The principal risks are detailed in section 4 "Risk Factors" in the reference document and in the notes to the consolidated financial statements note 29 page 108.

Risks related to rates, market, shares and other financial instruments are included in the risk factors section 4.4 of the reference document, page 31.

2. TOUAX SCA

TOUAX SCA is a holding company providing advisory services to its subsidiaries, and has a little real estate business.

Individual financial statements

TOUAX SCA revenues increased to €4.9 million compared with €2.3 million in 2014. TOUAX's consultancy business with regard to its subsidiaries increased sharply in 2015 due to the reinvoicing of high costs incurred by the company within the scope of a debt issuance transaction which ended up not being realised. TOUAX SCA also received dividends from its subsidiaries amounting to €7.6 million and financial income generated by loans granted to its subsidiaries. Profit was impacted by a provision of €3 million corresponding to the total negative equity of one of the company's subsidiaries at 31 December 2015. This resulted in a net profit of €662,000 compared to €5.5 million in 2014.

The balance sheet of TOUAX SCA came to €375.5 million compared with €362.5 million in 2014. 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 €12,000. These net expenses correspond to the difference between the tax saving of the fiscal group (€150,000) and the miscellaneous accrued non-deductible expenses (€162,000).

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 does not anticipate any changes and 2016 should be stable compared to 2015 (excluding any market transaction).

TOUAX SCA carries the Group financial debt. The financial debt of TOUAX SCA amounted to €128.4 million, including bond issues totalling €45 million, slightly up compared with €125.1 million on 31 December 2014. Note 23 in the appendix to the financial statements details the company's debt. On 2 July 2015, TOUAX SCA launched an issuance of bonds convertible into Cash and/or New and/or existing Shares (Convertible Bonds) to mature on 10 July 2020 ("Bonds") for an initial nominal amount of approximately €20 million. Since the issue was oversubscribed, the nominal amount of the latter was increased to approximately €23 million following the exercising in full of the extension clause by the Company in agreement with the Global Coordinators and Joint Lead Managers.

In addition, TOUAX SCA finalized refinancing of corporate credit lines totalling €67.5 million. This financing, maturing in 2019, consists of a revolving line and a term repayment loan. These new lines created an opportunity for TOUAX to adjust its financial covenants more suited to its business of renting fixed assets (loan to value, overall gearing ratio, interest coverage ratio and minimum EBITDA).

The businesses of the company's main subsidiaries are detailed in the reference document in section 7.2 page 58.

Post balance sheet events

None.

Dividend distribution policy

The company implements a regular distribution policy. It has paid a dividend each year since its creation in 1898. 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. Since the cash flow remains positive and despite the consolidated loss, the company is proposing to pay a dividend of 0.25 euro per share at the next Annual General Meeting to be taken from distributable profit

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 20.7.1 page 133 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
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**

Appropriation of the result

The Managing Partners will propose the following appropriation of the result to the next General Meeting on June 9, 2016:

Net profit of the 2015 fiscal year	661 664 €
Less General Partners's statutory compensation	-362 264 €
Less the allocation for the legal reserves	-33 083 €
Allocation of the balance to retained earnings	266 317 €
Positive retained earnings	2 248 386 €
For a total of distribuable profit of	**2 514 703 €**
Distribution of a total amount of €0.25 per share to be paid out on the total distributable profit for a total of	1 790 391 €
Balance of the retained earnings	**724 312 €**

The maximum number of shares giving entitlement to the dividend for the 2015 financial year, corresponding to actions with a dividend right on 1 January 2016 amounted to 7,161,564 shares, corresponding to the number of shares making up the Company's capital on 31 December 2015, namely 5,883,782 shares, plus the number of shares created under the terms of the warrants between the closing date and their expiration date as well as the maximum number of shares that could be issued pursuant to the exercising of the Convertible Bonds, which may occur up to the date of posting. At the time of publication, Convertible Bonds are not in the money.

The dividend associated with the shares which had not been created on the day of the AGM as a result of the convertible bonds as well as treasury stock will be carried forward in the accounts for the relevant part.

TOUAX SCA term of payment of suppliers and clients

In accordance with Article D.441-4 of the French Commercial Code, the following table presents the breakdown at December 31, 2015 of the outstanding trade accounts payable by due date.

Trade accounts payable *(VAT included, € thousands)*	**2015**	2014
TOTAL of the non past due trade receivable	**382**	**476**
- including Group trade payable	329	263
TOTAL of the past due trade receivable	**1 022**	**458**
- including trade receivable < 60 days	249	303
- including trade receivable > 60 days	773	155
- including Group trade receivable		
- including non-Group trade receivable	1 022	458
TOTAL	**1 404**	**934**

The trade accounts payable of €1,404,000 are included under accounts payable.

Since TOUAX SCA clients are almost exclusively Group companies, the amounts due between the Group's companies are recorded on the 20th of each month.

Regulated agreements

There is only one regulated agreement concluded by TOUAX SCA that continued during the 2015 financial year:

Companies concerned	Related party agreement
SCI FRANKLIN LOCATION	Offices lease contract, located at La Défense

The modification of this agreement, authorised by the Supervisory Board on 31 August 2015, was motivated by making savings for the Group, with the surface area of premises and as a result the amount of rent and expenses being reduced. These premises serve as headquarters to the French entities of the TOUAX Group.

No new regulated agreement was concluded during the 2015 fiscal year.

Agreements concluded pursuant to Article L.225-102-1 of the French Commercial Code

Pursuant to Article L.225-102-1 of the French Commercial Code, no agreements are mentioned.

Existing branches

None

Results of the company during the last five fiscal years (individual financial statements)

	(€ thousands)	**2015**	2014	2013	2012	2011
I	SHARE CAPITAL AT YEAR END					
	a) Share capital	47 070 256	47 070 184	47 070 184	45 922 136	45 765 992
	b) Number of existing ordinary shares	5 883 782	5 883 773	5 883 773	5 740 267	5 720 749
II	OPERATIONS AND RESULTS FOR THE YEAR					
	a) Revenue excluding taxes	4 853 416	2 337 402	2 147 071	2 306 593	2 662 895
	b) Earnings before tax, depreciation, amortization and provisions	4 206 634	5 914 646	2 885 745	4 924 070	5 338 903
	c) Corporation tax	(150 144)	49 626	(41 266)	(216 433)	(235 596)
	d) Employee profit sharing due for the year					
	e) Earnings after tax and calculated charges	661 664	5 573 639	2 716 259	5 000 534	4 589 885
	f) Distributed income	2 938 264	2 938 888	2 867 517	5 713 504	5 694 712
III	EARNINGS PER SHARE					
	a) Earnings after tax but before depreciation, amortization and provisions	0,74	1,00	0,50	0,90	0,97
	b) Earnings after tax and depreciation, amortization and provisions	0,11	0,95	0,46	0,87	0,80
	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	39 454	39 252	39 000	39 825	765 140
	c) Total social security benefits for the year (social security, welfare benefits etc.)	19 094	14 034	16 803	15 699	242 720

(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)

Articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code, require the Group to publish 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

- **Employee profit-sharing in the company's capital at December 31, 2015**

There was no employee profit-sharing in the company's capital at December 31, 2015, since TOUAX did not put in place any of the profit sharing stated in the law.

- **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 7.2 of the reference document and the list of the consolidated 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, 2015, the company held 12,831 of its treasury stock, These shares were acquired following the stock buyback program approved by the Combined General Meeting of June 11, 2015. 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, Fabrice and Raphaël WALEWSKI, came to €1,029,000 in 2015. This remuneration is detailed in the reference document, chapter 15 page 62.

It is worth remembering that the managing Partners compensation is governed by the articles of association and can only be set and modified by the stockholders in a general meeting. The stockholders may refer to paragraphs 15.1.1 and to the section 1.2 of the paragraph 27.2 of the reference document to find out the elements of the remuneration owed or attributed for the fiscal year ending 31 December 2015 to the Managing Partners.

They receive no specific pension plan, no severance pay and lastly no share subscription or performance-related share option plans.

- **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 2015, the General Partners received 3% of the 2014 net income plus 1% of the Group's consolidated EBITDA after deducting the leasing income due to investors, i.e. a total of €400,000. This compensation specified in the Articles of Association is considered equivalent to a dividend

- **Compensation of the Supervisory Board**

Members of the Supervisory Board received a compensation of €63,000 in 2015.

- **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 187.

- **Adjustment of the conversion factors of securities giving access to capital**

No adjustment of the bases for converting the redeemable stock warrants issued in 2007 has been made in 2015.

On 31 December 2015, there were only 1,187,111 remaining redeemable stock warrants to be exercised, which are not in-the-money at that date. The warrants were delisted on 9 March 2016, the date of their maturity. Similarly, there was no adjustment for convertible bonds.

- **Acquiring significant stakes in companies with head offices in France**

TOUAX SCA acquired a majority stake of 51% in December 2015 in TOUAX AFRICA, which was previously owned by one of its subsidiaries. The business of the latter is to grow sales of modular buildings in Africa.

- **Operating a classified facility**

None

- **Amount of loans granted to micro-enterprises, SMEs or middle-market companies**

None

Powers delegated by the General Meeting and used in 2015

The Combined General Meeting of June 11, 2013, 2014 and 2015 delegated the following issue authorizations to the Managing Partners:

Description of the authorization	Authorization date	Expiration date	Maximum amount authorized	Utilization during 2015	Total amount used
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (1)	unused	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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (1)	unused	nil
(1) The ceiling of € 20,000,000 is the maximum amount authorized for all capital increases par value.					
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 2015 (14th resolution)	11 August 2017	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (2)	unused	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 2015 (15th resolution)	11 August 2017	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million (2)	8 888 888 €	8 888 888 €
Increase of the share capital - greenshoe option	Combined shareholders' meeting of 11 June 2015 (16th resolution)	11 August 2017	maximum of 15% of the initial issue	1 333 328 €	1 333 328 €
(2) The ceiling of € 20,000,000 is the maximum amount authorized for all capital increases par value.					

These authorizations were submitted to shareholders through separate resolutions.

Description of the authorization	Authorization date	Expiration date	Maximum amount authorized	Utilization during 2015	Total amount used
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€960,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (17th resolution)	11 December 2016			
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (18th resolution)	11 December 2016			
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 June 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: **€320,000**	unused	nil
	Combined shareholders' meeting of 11 June 2015 (19th resolution)	11 December 2016			

Stock buyback program

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 67.

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 2015 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 65.

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.

Risk factors

The principal risks are detailed in section 4, Risk Factors, of the reference document, mainly the liquidity and credit risks, as well as in the notes to the consolidated financial statements note 29 page 108.

Interest and market risk, shares risks and any other financial risks are detailed in paragraph 4.4 page 31.

5. Other General Meeting resolutions submitted to the stockholders

Renewal of the terms of office of the members of the Supervisory Board (7th to 10th resolutions)

The Supervisory Board currently has 4 members, further to the resignation of two 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, 2015.

You are asked to renew the terms of office of the following four members for a period of one year, i.e. until the General Meeting called to approve the financial statements for fiscal year 2016:

- Mr Alexandre WALEWSKI,
- Mr Jean-Jacques OGIER,
- Mr Jérôme BETHBEZE,
- Mr François SOULET de BRUGIERE.

Given the need to have more women on the board, the appointment of two women is proposed and their names will be announced later. You will find a detailed presentation of the four members who are being put forward for renewal in section 27.2, paragraph 1.4.7 page 193 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 or elect new members.

We propose that you allocate attendance fees to the members of the Supervisory Board for a total of €63,000.

Appointment of a principal and substitute co-statutory auditor (11th resolution)

With the mandate of the LNA firm as co-statutory auditor expiring with the accounts for the year 2015, the appointment of a new co-statutory auditor is proposed.

The RSM Paris firm is proposed as the principal and the Fidinter firm is proposed as the substitute.

Renewal of the authorization to carry out a stock redemption program (12th 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, 2015 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, 2015 the company held 12,831 treasury stock, it being stated that during the 2015 fiscal year it bought 94,560 shares and sold 88,594 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 29, 2016	
Percentage of the share capital held directly or indirectly	0,14%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	8,217
Book value of the portfolio (€)	69,406.14
Market value of the portfolio (€)	73,459.98

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 9, 2016. Our company wants to implement this stock redemption program with the same aims as those adopted by the General Meeting of June 11, 2015.

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: 30 €

• Maximum amount: 17,651,448 €

• Length of the program: 18 months from the authorization granted by the Ordinary General Meeting on June 9, 2016, i.e. until December 8, 2017.

₪ Authorisation to be given to the Management Board in order to cancel all or part of the shares purchased under the provisions of article L. 225-209 of the Commercial Code (13th resolution)

You are also asked to authorise the Management Board to reduce the share capital, on one or more occasions, by a maximum of 10% of the share capital per period of twenty-four months, by cancelling some or all of the treasury shares acquired under the stock redemption programm adopted by the company's shareholders at the present General Meeting, or at a previous or subsequent General Meeting. This authorisation will be granted for a period of 24 months.

The cancellation of Company shares held by the latter may respond to various financial objectives, such as active capital management, balance sheet optimisation or offsetting the dilution resulting from capital increases.

The Management Board could allocate the difference between the repurchase price of the cancelled shares and their par value at the time of cancellation, to the premiums and free reserves.

The Management Board shall have all powers to determine the terms and conditions of these cancellations, in order to amend, where appropriate, the Company's statutes, make any declarations, carry out any other formalities, and in general do anything necessary.

This authorisation would cancel and replace the authorisation granted by the Extraordinary General Meeting of 11 June 2015, in its 21st resolution, which has not been used at all.

We ask you to approve the draft resolutions which are submitted for your approval.

La Défense, March 24, 2016

Fabrice and Raphaël Walewski

Managing Partners

26.2. Corporate, Environmental and Social Report

Articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code, require the Group to publish 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 184.

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.

TOUAX is part of the Gaïa Index, 2015. Created in 2008, the Gaïa index is dedicated to medium-sized securities and deals with non-financial data. Its objective is to determine the level of commitment of the companies in question to sustainable development issues. It thereby helps to promote companies by considering such factors as the environment, social responsibility and governance. Any additional information is provided on the www.gaia-index.com website.

1. Corporate information

1.1. Employment

Total workforce and breakdown of employees by sex, age and geographic zone

The Group had a workforce of 885 employees throughout the world at December 31, 2015 compared with 796 employees at the end of 2014. The Group increased its workforce by 11.56%.

18% of the workforce are located in France, 64% elsewhere in Europe, 11% in Africa, 6% in North and South America and 1% in Asia. We observe the workforce abroad continue to grow.

The breakdown of the workforce by geographic location and business segment as of December 31, 2015 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Corporate		TOTAL	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Europe	23	15	611	543	9	13	50	34	34	39	727	644
Asia	10	11									10	7
Africa			96	102							96	92
Americas	8	4	40	31	1	1			3	3	52	24
TOTAL	**41**	30	**747**	676	**10**	14	**50**	34	**37**	42	**885**	796

On the whole the age pyramid and breakdown by category remained stable.

Geographic breakdown	2015	2014
France	**18%**	22%
International	**82%**	78%
Breakdown by type		
Male	**77%**	75%
Female	**23%**	25%
Breakdown by category		
Managers	**13%**	14%
Employees	**87%**	86%
Age pyramid		
Under 26	**8%**	4%
26 - 40 yrs	**17%**	46%
41 - 50 yrs	**44%**	31%
51 or over	**30%**	19%
Length of service		
< 1 year	**24%**	24%
1 - 5 yrs	**40%**	33%
6 - 10 yrs	**23%**	29%
> 10 years	**13%**	14%
Type of contract		
Number of employees with fixed-term contracts	**19%**	18%
Number of employees with permanent contracts	**81%**	82%

Appointments and dismissals

There were the following appointments and dismissals in 2015:

	2015	2014
Total number of departures during the year	**224**	210
Total number of new appointments during the year (1)	**313**	284
Staff turnover (%)	**32%**	27%

The Freight Railcars business saw its workforce increase by 12 new employees following a fleet of equipment being taken under management. The workforce is divided between Germany and the United Kingdom.

In the River Barges business, our company based in Romania is in the process of liquidation.

In the Modular Buildings business, the number of employees within the company in the Czech Republic continues to grow due to the increase of its production capacity in order to cope with orders.

In France the Group introduced a recruitment procedure which applies to every recruitments (permanent, contract, temporary and internship), 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.

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 2015 fiscal year, the Group's payroll came to €35,034,495 compared with €€33,388,704 for the previous fiscal year.

Average compensation in euros (gross salaries)	2015	2014
Geographic breakdown		
France	**46 117**	45 593
Outside France	**23 008**	22 661
Breakdown by category		
Managers	**67 384**	66 246
Employees	**21 232**	24 397

The decline in wages in the "employee" category is mainly due to the increased number of workers in the factory in the Czech Republic

For the Group as a whole, 77.77% of employees received a variable component (performance-related bonus and/or commission. For this computation, we consider only employees who perceived an annual variable component or commissions. Other premiums are not included in the calculation for the payment of the variable component.

1.2. Organization of work

Organization of working hours

On December 31, 2015, 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 2015, 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 5.1% in 2015, representing a total of 9,078 working days of absence.

The following table gives a breakdown of days of absence by grounds:

Breakdown of absences by grounds	2015	2014
Sickness and occupational disease	**6,817**	5,237
Industrial accident (including commuting accident)	**923**	791
Authorized absences (excluding leave)	**1,209**	1,191
Unauthorized absences	**129**	248

days

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. Members of the work council have been elected in 2015.

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.

The members are attending the works councils along with executive management. The main topics matters to social problems of the company, such as insurance coverage or organization of working time.

› 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 entity TOUAX MAROC 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 2015.

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. Members of the CHSCT have been elected in 2015.

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 2015, our Morocco entity improved its health and working safety conditions further to the implementation of new procedures, like:

- The occupational doctor makes workers aware of the correct movements and postures in the workplace;
- Equipping all workers with personal protective equipment in a systematic way;
- Training of first-aid workers (11) and equipping them with first aid kits;
- Equipping an infirmary;
- Making the movement of workers and vehicles safer with road markings.

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 in France and its foreign entities in 2015.

Industrial accidents, in particular their frequency and seriousness, and occupational diseases

	2015	2014
Number of industrial accidents with sick leave	**32**	36
Industrial accident frequency rate	**25,73**	29,79
Number of working days of sick leave following industrial accidents	**923**	791
Industrial accident severity rate	**0,74**	0,65
Number of fatal industrial accidents		
Number of occupational diseases declared		

The number of occupational accidents has fallen thanks to a strengthening of workplace health and safety conditions in 2015.

1.5. Training

Training policies implemented

› Policies implemented in France

A communication campaign was carried out in November 2015 concerning mid-term interviews. In addition, due to a new regulation in France, training interview has been replaced by a "professional interview", which is a meeting between the employee and its manager. This interview is about career development prospects, particularly in terms of qualifications and employment. This interview is not about evaluating the employee's work.

› 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 and continued in 2015 to train a proportion of our employees. In addition, TOUAX Group 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 2015 the TOUAX Group spent €151,305 on training courses at the global level, representing 7,312 training hours. The Group trained 523 employees during the year, i.e. 64% of the average workforce during the year. In Morocco and Czech Republic, employees were trained in different areas such as security, 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, 2015, 23% of managers were women. Among the managers, 16% are women. Note that during the fiscal year 2015, the TOUAX Group endeavoured to recruit more women in all its entities.

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 1.56 in 2015 compared with 2 in 2014.

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, 2015. 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 Industrie Modulaire Algérie Touax NV Touax BV Touax Espana SA Touax do Brasil Touax Solutions Modulaires SIKO Containerhandel Gmbh Touax Sp. zo.o Touax Modular Building USA Llc Touax Maroc et Ramco Touax s.r.o
River Barges	Touax River Barges Eurobulk Transport Maatschappij BV Touax Hydrovia Corp.
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 and French 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 + the total number of new employees divided by 2 and 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 (excluding paid vacation) 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 2015	Coverage rate in 2014	Subsidiaries for which source data could not be collected in 2015	Subsidiaries excluded
Absenteeism (sickness, occupational disease, industrial accidents, commuting accidents, sick children, authorized absences excluding leave, unauthorized absences)	**100,00%**	100,00%		
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	**100,00%**	64,00%		
Number of employees trained during the year and ratio	**100,00%**			

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 77% steel, 14% wood and 9% 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 assembles.

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 Environmental Management certification in September 2011, which is valid for a period of three years. This certification has been renewed in February 2014 until February 2017.

Environment processes are under reevaluation in our Moroccan entity.

› **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 CO2, 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 certification 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 2015, the TOUAX Group enabled some of its employees from the Modular Building division to receive training hours. In the Netherlands and in Poland, respectively 104 hours and 12 hours of training sessions were conducted with employees relating to environmental issues.

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.

- **The means devoted to preventing environmental risks and pollution**

In 2015, only the Modular Building division spent €39,766, 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 2015, 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, railcars 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.

TOUAX, with regard to its Freight Railcars business, has planned ahead for changes to the European standard for reducing waste that can damage the soil by choosing to equip its new European railcars with a less polluting type of sole. Soles made from composite material have replaced cast iron soles.

In addition, TOUAX Rail 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.

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.

The railcars are serviced about every 3 years in the workshops. In 2015, 1,196 railcars were serviced.

› **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 entity invested in an equipment that helps to reduce discharge of organic compounds volatile in air, in a high-solid paint system (30% solvent) and in an electrostatic application increasing the transfer rate by 20%. 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 of our leasing fleet are reconditioned at the end of their service life for customers. 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, depending on the customers' needs and requirements.

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 2015, 88 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 775.61 tons of waste in 2015, with the following breakdown:

(in tons)	Czech plant
Scrap metal	319.44
Recycled cardboard	10.64
Recycled wood	
Recycled plastic	43.57
Common industrial waste	353.62
Aerosol (hazardous waste)	
Paint and thinner (hazardous waste)	48.34
TOTAL	**775.61**

› **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 2015, 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 2015, 55 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 in 2015 for our 2 industrial sites.

Regarding the Freight Railcar business, the railcars purchased 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 for the services activity, while the two 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**

	2015	2014
Number of new containers purchased (in TEU)	25 100	16 730
Number of containers sold (in TEU)	72 760	29 130
Managed container fleet at December 31 (in TEU)	585 237	627 108
Steel equivalent of new containers purchased (in tonnes)	38 290	25 365
Quantity of wood for floors of new containers purchased (in tonnes)	6 837	4 529

TEU: Twenty foot Equivalent Unit

› **Modular Buildings**

	2015	2014
Number of modular manufactured by our factories	3 926	3 985
Number of modular sold	4 330	3 408
Managed fleet of modular buildings at December 31	47 946	50 482
Steel equivalent of manufactured modulars (in tonnes)	4 688	3 919

› **River Barges**

	2015	2014
Number of new barges purchased (excluding service boats and pushboats)		
Number of barges sold (excluding service boats and pushboats)	2	22
Managed fleet of boats at December 31	134	127
Steel equivalent of new barges purchased in tonnes (excluding service boats and pushboats)		

› **Freight Railcars**

	2015	2014
Number of new railcars purchased	364	30
Number of railcars sold	552	510
Railcar fleet at December 31	9 500	7 349
Steel equivalent of railcars purchased (in tonnes)	6 075	478

- **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) 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. In the other European countries where we are located, similar regulations may apply.

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 34,949 liters in 2015.

The energy consumption of these sites is shown below:

	Czech entity	Moroccan entity	Total for industrial sites
Electricity consumption in GWh	1.09	0.34	**1.43**
Gas consumption in GWh	2.19	0.03	**2.22**
Total 2015 consumption in GWh	**3.28**	**0.41**	**3.69**

- **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.

- **Consequences of climate change on the business and the use of goods and services produced**

› **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 2015, 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 2015, 25 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 2015.

2.6. Commitments to the circular economy and the fight against food waste

TOUAX, through its businesses and its products that mainly consist of steel, recycles its end of life products with professionals in each sector, so that all or part of them are reused in some form or another.

Head office employees are aware of the fight against food waste.

2.7. 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 174.

  - Note concerning the calculation of the steel equivalent of new railcars

This calculation is based the average weight of an empty railcar of 23.1 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.

However for the 2015 and 2014 data, the steel weight of each railcar purchased is known, allowing for the total steel equivalent of all the railcars purchased to be calculated with precision.

  - 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 the same no matter the type of container purchased by the Group. However, the weight varies depending on the type of container.

- **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 2015	Coverage rate in 2014	Subsidiaries for which source data could not be collected in 2015
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 52% of the total workforce at December 31, 2015. 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 has an unemployment rate higher than the national average.

- **Regarding surrounding or local communities**

The Group has paid roughly €1,000 to 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.

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. And the Group also made a donation to benefit the Goodplanet foundation, which aims to put ecology at the heart of people's consciences and encourage a desire to take concrete action.

Initiatives were also launched by the Group's subsidiaries abroad. In Poland our entity made, since several years, 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.

Our Freight Railcars business pays special attention to the consideration of social and environmental issues, especially as an Entity in Charge of Maintenance (ECM) for railcars under our own management as well as railcars operated by other providers for which we are the ECM. The ECM must plan, develop, control and monitor the maintenance carried out on the fleet. The suppliers referred to for scheduled maintenance are selected based on their certificates but also their audit results. Monitoring is established and traceability is ensured by the Quality systems and ECM Monitoring in order to ensure that any suppliers found to be in breach are removed.

A study is under way with the manufacturers in order to include social and environment issues in purchasing agreements within the Shipping Container division.

Finally, in the Modular Buildings division, our Czech entity assesses some of its suppliers according to environmental criteria.

- **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.

In the Czech Republic, audits of some of our main suppliers of modular buildings have been undertaken.

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 applicable safety standards (life jacket, safety footwear and hard hat where appropriate).

The decks of the some purchased barges have been 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 to improve user safety.

- **Les autres actions engagées en faveur des droits de l'homme**

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 174.

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 by the independent third party on the consolidated human resources, environmental and social information included in the management report issued

This is a free English translation of the independent third party report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2015

To the Shareholders,

As a member of the profession of certified public accountants appointed as independent third party and certified by COFRAC under number 3-1055 (information available on www.cofrac.fr") of TOUAX SCA Company (the "Company"), we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2015 included in the management report (hereinafter named "CSR Information") pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Management is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession included in the 30th March 2012 decree related to certified public accounting practices and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control, including documented policies and procedures regarding compliance with ethical requirements, French professional standards and applicable legal and regulatory requirements.

Independent verifiers' responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided, in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented (Conclusion on the fairness of CSR Information).

Our work involved 2 persons and was conducted between the 30th of September 2015 and the 8th of April 2016 during 8 days with an onsite audit on the 21st of October 2015.

We performed our work in accordance with the order dated 13 may 2013 defining the conditions under which the independent third performs its engagement and in accordance with the French professional standards for certified public accountants and relative to specific attestations.

I. Attestation of completeness of the CSR information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code.

Conclusion

Based on the work performed, we attest that the required CSR Information has been disclosed in the management report.

II. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted interviews with persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

We focused on:

- Social information: total workforce (by gender, age, region, socio-professional category, type of contract, seniority), number of departures and hires during the year, number of work accidents;
- Environmental information: evaluation processes, steel weight equivalent of new freight wagons;
- Societal information: subcontractors relations for wagon maintenance, rail safety.

Regarding the CSR Information that we considered to be the most important:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

- at the level of a representative sample of sites selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied [if deemed appropriate: and to identify potential undisclosed data], and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 12% of business activities.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly.

Toulouse, 8 April 2016

The Independent third party

SAS 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 2015 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. The Managing Partners provide regular information about the changes in each division and its future prospects in the context of the strategy defined by Managing Partners as well as the overall 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, competitive positioning and the progress achieved compared to previous strategies. Their purpose is also to study significant events occurring during the period in question. In 2015, the Supervisory Board was presented with the strategic vision of the four divisions.

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 were met at end of December 2015. 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 confirmed its reference to the Middlenext Code, more appropriate to its size, with effect from the 2015 financial year and examined the situation of the members with regard to their 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 was to review the consolidated financial statements and risks and it reported on its assignment at the Supervisory Board.

* * *

With regard to the main financial data of 2015 and without analysing the detailed comments from Managing Partners on this subject, we remind you that:

- the Group's consolidated revenue amounted to €348 million on 31 December 2015, down compared to 2014, due to lower syndications and despite a rise in the Modular Buildings business;

- the positive operating income from transport activities did not offset the loss of the Modular Buildings business;

- a number of exceptional items have affected the outcome, mainly in the Modular Buildings business, including €11.6 million of asset impairments and €4.5 million of non-recurring net expenses;

- a consolidated net loss of €24 million;

- a slight decrease in indebtedness as well as a positive free cash flow of €41.6 million;

- fixed and tangible assets for €483 million, assets in stocks for €55 million and cash and marketable securities for €47 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 2015 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 resolutions that are submitted to you ordinarily relate in particular to the approval of the financial statements, the allocation of profit, the renewal of members of the Supervisory Board and the appointment of two new members, the appointment of a new statutory auditor and the authorisation to trade in shares.

The extraordinary resolution relates to an authorisation for the Management Board to cancel the capital.

The Board requests your approval of all of the resolutions submitted to you.

La Défense, March 24, 2016

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 24, 2016.

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

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.

In addition, to the best of our knowledge there are:

- No known or 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 members of the Supervisory Board within a certain period of time, of their interest in TOUAX SCA capital stock;
- No restrictions on the sale by Managing Partners or General Partners within a certain period of time, of their interest in TOUAX SCA capital stock, except legal regulations regarding sales of stocks;
- There were no service contracts binding the members of TOUAX SCA Supervisory Board and Managing Partners or either of the General Partners, to any of TOUAX subsidiaries and granting any benefit as per the contract;

- There are no family ties between the members of the Supervisory Board.

Application of the Middlenext code

In addition to the legal requirements, the Group has chosen, with effect from the 2015 financial year, to refer to the governance rules recommended by the Middlenext Corporate Governance Code for small and midcaps (in its latest version dated December 2009 available on http://www.middlenext.com), whose requirements appear better suited to the Group, given its size and the structure of its capital, than the recommendations issued by the AFEP-MEDEF Code.

The Middlenext code contains points for vigilance that recall the questions that the Supervisory Board should ask in order to promote the proper functioning of governance. The Touax SCA Supervisory Board was informed of these points for vigilance during the meeting on 24 March 2016.

The application of the recommendations regarding the remuneration of executive and non-executive corporate officers is presented in section 15 of the reference document.

In accordance with the provisions in paragraph 8 of Article L.225-68 of the French Commercial Code, this report specifies the provisions of the code that are not applied by the company.

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 except the 20th resolution put to the vote of the stockholders at the Combined General Meeting of June 11, 2015, and each of the General Partners does not take part to the vote of one of the 18th or 19th resolution.

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 2014 fiscal year, in 2015 it came to €200,000 respectively for Société Holding de Gestion et de Participation and 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 2015, 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 compliance with the powers of the Supervisory Board and the General Meeting, the powers of the Managing Partners are not limited.

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 meetings

The Managing Partners met officially 9 times in 2015. The main purpose of these meetings was:

- the approval of the annual individual and consolidated financial statements and closing of the consolidated half-year financial statements;
- the authorization to issue bonds,
- the refinancing of credit facilities,
- the purchase of redeemable warrants,
- a capital increase further to redeemable warrants exercise.

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 €1,029,700 in 2015.

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."

- **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: 49,

- Swiss citizen.

Mandate as a non-executive or executive director within the following Group companies at 31 December 2015:

TOUAX Corporate SAS, TOUAX UK Ltd, Touax corporation, Gold container Corp, Touax Finance, Touax Container Leasing Pte Ltd, Touax Container Financing Pte Ltd, Gold Container Finance Corp., TOUAX Container Lease Rec, Corp., TOUAX Equipment Leasing Corp., TOUAX Solutions Modulaires SAS, TOUAX Module Asset SARL, 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 SARL, 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, 2015.

- **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: 47,

- French citizen.

Mandate as a non-executive or executive director within the following Group companies at 31 December 2015:

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 Finance 3 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, 2015.

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 and River Barges divisions (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.

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, 2015, to the best of the company's knowledge, none of the members of the Executive Committee held any redeemable stock warrants, save Jérôme LE GAVRIAN. The redeemable stock warrants expired at their maturity date on 9 March 2016.

1.4. Supervisory Board

1.4.1. Well balanced composition of the Supervisory Board

In accordance with the provisions of 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.

Each member must hold a minimum of 250 shares in TOUAX SCA according to article 12.2 of the articles of association.

Choice of the members of the Supervisory Board

When each member of the Supervisory Board is appointed or re-appointed, information on their experience and skills is provided in the management report. The appointment of each member of the Supervisory Board is subject to a separate resolution, in accordance with recommendation no. 9 of the Middlenext Code.

To-date, the Supervisory Board has four members. They were all renewed in 2015 for one year and two members resigned on October and December 2015.

The Group does not fulfil the conditions for appointing a member representing the employees pursuant to article L.225-79-2 of the French code of commerce.

There is no lead member of the Supervisory Board.

At December 31, 2015, the members of the Supervisory Board do not belong to the Group's workforce and do not have other duties within the Group.

Proportion of women on the Supervisory Board

At December 31, 2015, there were no women (including representatives of legal entities) within the Supervisory Noard, further to the resignation of the two women in October and December 2015.

The Group notes that there were 2 women among the 6 members of the Council, which made TOUAX compliant with the law regarding the representation of women, prior to their resignation.

In order to comply with the law, the appointment of two women with experience and/or a profile from industry, finance or services is planned.

The status of independent member

The status of independent member of the Supervisory Board was discussed by the Supervisory Board in 24 March 2016. The Supervisory Board examined the situation of each of its members according to the criteria of Middlenext Governance Code, and concluded that three of them were independent out of four.

The Middlenext Code states in its recommendation no. 8 that a member of the Supervisory Board should not have any "*financial, contractual or family relationships that could compromise the independence of their judgment*."

In order to qualify one of its members as independent, the Board reviews the status of each member with regard to the following criteria:

- not being an employee or corporate officer of the company or a company in its Group and not having been this in the last three years;

- not being a significant customer, supplier or banker of the company or its Group or for which the Company or Group represents a significant part of the business;

- not being the company's major shareholder;

- not having any close family ties with a corporate officer or shareholder;

- not having been auditor of the Group to which the company has belonged over the last three years.

The independent members are listed in section 1.4.7 below.

1.4.2. Works 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 President organizes the Supervisory Board works.

The main topics discussed by the Board are the following:

Monitoring of the Group's principal orientations	- Strategic review of the divisions - Examination of various financial opportunities (financing and other projects) - Follow-up of the business activity
Financial position and cash	- 2016 Budget - 2015 Business Plan - 2014 annual and 2015 half-year consolidated financial statements - 2014 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 and monitoring of the actions plan - Review of press releases relating to annual and half-year financial statementss
Corporate governance 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 - Change of a related party agreement - Deliberation on gender equality - Resignation of a member - Yearly monitoring of the related party agreement

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.

1.4.3. Functioning of the Supervisory Board - Internal rules

The Supervisory Board is convened by its Chairman or the Managing Partners subject to two weeks' notice by email.

The Board has met six times during the 2015 fiscal year (in accordance with recommendation n°13 of the Middlenext Governance Code). The attendance rate was 91%.

Participation of the members of the Supervisory Board at Board meetings in 2015.

Member of the Supervisory Board	Number of attended
Jérôme BETHBEZE	6, i.e. 100%
François SOULET de BRUGIERE	6, i.e. 100%
Société AQUASOURCA	3, i.e. 50%
Jean-Jacques OGIER	6, i.e. 100%
Sophie SERVATY	5, i.e. 100%*
Alexandre WALEWSKI	6, i.e. 100%

* Sophie Servaty has resigned on October 2015, therefore she did not participate to all of the meetings held in 2015

The statutory auditors are convened to the meetings of the Supervisory Board that approve 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 four businesses thanks to a presentation by their general director.

Internal rules

According to the recommendation n°6 of the Middlenext Governance Code, the work of the Supervisory Board is governed by internal rules that are intended to complete the laws, regulations and Articles of Association, which the Board and its members do of course respect.

The internal rules specify the methods of functioning of the Board and of its audit committee, the composition of the Board, the information given and the members duties.

These internal 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 March 24, 2016 in order to be in line with the Middlenext Governance Code

Ethical regulations

In accordance with recommendation no. 7 of the Middlenext Code, each member of the Supervisory Board is made aware of their responsibilities at the time of their appointment and is encouraged to observe the rules of conduct relating to their mandate, to comply with the legal rules relating to multiple directorships, to inform the board in case of a conflict of interest arising after obtaining their mandate, to attest to their diligence at board meetings and general meetings, to ensure they have all the information necessary in relation to the agenda of board meetings before making any decision and respecting professional confidentiality.

Informing members of the Supervisory Board

Documents allowing members of the Supervisory Board to vote in full knowledge of the items on the agenda are communicated electronically to members of the Supervisory Board at least one week before the board meeting. However, it may be that certain documents are sent closer to the date of the board meeting.

In addition, members of the Supervisory Board are regularly informed between meetings when news about the Group warrants this, in accordance with recommendation no. 11 of the Middlenext Code.

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.

1.4.4. Assessment of the functioning of the Supervisory Board

In accordance with recommendation no. 15 of the Middlenext Code, board members expressed their views on the functioning of the Board and how it prepares its work. They deemed that progress had been made on the quality of documents but there were still improvements to make with regard to the time taken sending the documents prior to board meetings.

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.

1.4.5. Compensation of the Supervisory Board

The compensation of the Supervisory Board came to €63,000 in the 2015 fiscal year, this compensation is being detailed in section 15.1.2 of the reference document.

According to recommendation n°14 of the Middlenext Governance Code, 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.

The Ordinary General Meeting of June 9, 2016 will be invited to approve compensation of €63,000 for the 2016 fiscal year.

1.4.6. The audit committee created within the Board

The Supervisory Board chooses to be assisted by an Audit Committee.

Setting up

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 two members were selected for their financial expertise and their experience of the Group.

TOUAX notes that the Audit Committee had one independent member, Jérôme BETHBEZE.

Functioning

The Audit Committee met twice in 2015, prior to the Supervisory Board deliberating on the Annual and half-year financial statements. The attendance rate was 100%.

It dealt with the following matters in particular:

- review of the 2014 annual and 2015 half-year consolidated financial statements;
- 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 managing director and the Managing Partners.

Included in the documents sent is 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.

1.4.7. 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 2015. Expiry date at the General Meeting of June 9, 2016 called to approve the financial statements for the 2015 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 and belongs to the concert Walewski
Member of a Committee	Chairman of the Audit Committee
Mini CV	Alexandre WALEWSKI was the manager of TOUAX Group for 20 years
Age	82 years
Nationality	French
Number of TOUAX shares held at December 31, 2015	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

Jérôme 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 2015. Expiry date at the General Meeting of June 9, 2016 called to approve the financial statements for the 2015 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, 2015	358 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	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 2015. Expiry date at the General Meeting of June 9, 2016 called to approve the financial statements for the 2015 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.
Age	68 years
Nationality	French
Number of TOUAX shares held at December 31, 2015	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 2015. Expiry date at the General Meeting of June 9, 2016 called to approve the financial statements for the 2015 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	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, 2015	422 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	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) 2014/2015: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

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 non-registered shares**

Holders of non-registered 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.

2.1.2. 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.

2.1.3. 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.

2.1.4. 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.

2.1.5. 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, as the case may be, a review of the different internal audit assignments and its results. The Audit Committee reports on its work to the Supervisory Board.

₪ Operational divisions

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.

Each employee has 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 4 Risk factors, page 19 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 and the business directors.

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 Group’s financial management. 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 (tax & accounting, financing & cash, reporting & consolidation, financial communication & legal). 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. Three other corporate divisions also exist to better assess the procedures and risks of activities; the purchasing department, the human resources department and the information systems department. The Group's Administration and Finance Department are involved in the management and control of these risks.

2.4. Management and supervision of the Group 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 finance department and the financial controller 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.

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 and the assessment 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 accounting, consolidation and financial communication 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 2015.

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. Actions plans to reduce risks have been drawn up for the risks identified during these assessments.

La Défense, March 24, 2016

Alexandre WALEWSKI,

Chairman of the Supervisory Board

27.3. Statutory Auditors’ report prepared in accordance with Article L.226-10-1 of the French Commercial Code on the report of the Chairman of the Supervisory Board

Year ended December 31, 2015

This is a free translation into English of the statutory auditors’ report issued in French prepared in accordance with Article L. 226-10-1 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

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, 2015.

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 (Code de Commerce), 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 (*Code de Commerce*), 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 nothing 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 (Code de Commerce).

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 (*Code de Commerce*).

Paris and Neuilly-sur-Seine, April 8, 2016

The Statutory Auditors

French original signed by

LNA	DELOITTE & ASSOCIES
Brigitte GUILLEBERT	Jean-François VIAT

28. RECENTLY RELEASED INFORMATION

28.1. PRESS RELEASE OF FEBRUARY 22, 2016

Consolidated revenue at €348.2 million

Improvement of the Modular Buildings division (+26.3%)

Preparation costs and exceptional impairment of the modules impacting the 2015 profitability of the activity

Forecast of a positive operating income in 2016

REVENUE ANALYSIS

Revenue by type *(Unaudited data, € thousands)*	Q1 2015	Q2 2015	Q3 2015	Q4 2015	**TOTAL**	Q1 2014	Q2 2014	Q3 2014	Q4 2014	**TOTAL**
Leasing revenue (1)	55,420	55,916	56,771	56,867	**224,975**	48,772	52,034	52,587	52,797	**206,189**
Sales of equipment	12,808	43,371	20,537	46,549	**123,265**	23,984	42,565	46,089	59,864	**172,502**
Including sales to clients					*90,118*					*66,545*
Including sales to investors					*33,147*					*105,957*
Consolidated revenue	**68,228**	**99,287**	**77,308**	**103,417**	**348,240**	**72,756**	**94,599**	**98,676**	**112,660**	**378,691**

(1) Leasing revenue presented here includes ancillary services.

The consolidated revenue for the financial year 2015 amounts to €348.2 million, a decrease of 8% due to a decline of syndications by investors in the Shipping Containers business. At constant currency, the revenue is down by 16% because of the fall in the euro against the dollar.

Excluding sales to investors who are more volatile from one year to the next, the consolidated revenue increases by 16% in 2015.

The Modular Buildings business increases significantly (+26.3%).

Leasing revenue has grown by 9% to €225 million (stable at constant currency). The decrease in the revenue of leasing activity of Shipping Containers is fully compensated by the recovery of the leasing Modular Buildings in Europe.

The revenue of sales to clients increases significantly by 35% due to the growth of sales of modular buildings and of used Shipping Containers despite the lack of sales of river barges. The sales of new and used modular buildings have significantly increased in Europe and mark the recovery of the Modular Buildings business as a whole.

The revenue of sales to investors decreased to €33 million. This decrease is explained by a reduced volume of syndications of Shipping Containers to investors in 2015, who have preferred to delay their investments in view of the decline of steel.

Analysis of the contribution of the four Group divisions

Revenue by division *(Unaudited data, € thousands)*	Q1 2015	Q2 2015	Q3 2015	Q4 2015	TOTAL	Q1 2014	Q2 2014	Q3 2014	Q4 2014	TOTAL
Leasing revenue (1)	26,567	26,601	25,702	25,541	104,411	20,949	21,903	22,622	24,905	90,379
Sales of equipment	5,614	30,826	9,073	20,671	66,184	16,520	23,494	38,131	47,343	125,488
Including sales to clients					*35,072*					*19,532*
Including sales to investors					*31,113*					*105,957*
SHIPPING CONTAINERS	**32,181**	**57,427**	**34,775**	**46,212**	**170,595**	**37,469**	**45,397**	**60,754**	**72,248**	**215,867**
Leasing revenue (1)	17,544	17,583	18,606	18,776	72,509	15,707	17,173	17,451	16,013	66,344
Sales of equipment	6,903	12,246	9,933	17,310	46,392	7,220	4,892	7,064	8,597	27,773
Including sales to clients					*46,392*					*27,773*
MODULAR BUILDINGS	**24,447**	**29,829**	**28,539**	**36,086**	**118,901**	**22,927**	**22,065**	**24,514**	**24,610**	**94,117**
Leasing revenue (1)	3,846	3,661	4,272	4,261	16,041	3,879	3,944	3,922	3,619	15,364
Sales of equipment	19	19	19	341	399	6	3 741	15	2,667	6,429
Including sales to clients					*399*					*6,429*
RIVER BARGES	**3,865**	**3,680**	**4,291**	**4,602**	**16,440**	**3,885**	**7,685**	**3,937**	**6,286**	**21,794**
Leasing revenue (1)	7,566	8,220	8,251	8,872	32,909	8,261	9,037	8,618	8,334	34,250
Sales of equipment	272	279	1 511	8,227	10,289	238	10,437	879	1,256	12,810
Including sales to clients					*8,255*					*12,810*
Including sales to investors					*2,034*					
FREIGHT RAILCARS	**7,838**	**8,499**	**9,762**	**17,099**	**43,198**	**8,499**	**19,474**	**9,497**	**9,590**	**47,060**
Miscellaneous and unallocated	(103)	(149)	(60)	(583)	(895)	(24)	(23)	(26)	(75)	(148)
Consolidated revenue	**68,228**	**99,287**	**77,308**	**103,417**	**348,240**	**72,756**	**94,599**	**98,676**	**112,659**	**378,691**

(1) Leasing revenue presented here includes ancillary services.

Shipping Containers: The revenue for 2015 for this division is down by 21% at €171 million mainly resulting from a decrease of the syndications compensated partially by leasing activity and used containers sales. At constant dollar, the revenue fell by 34%. The year 2015 was marked by a decline in the growth of global trade and the price of raw materials. The drop in the steel price and consequently in the purchase price of new containers has brought about an erosion of both leasing rates and sale price of used containers. Touax has prioritised the protection of its leasing rates and adapted its fleet to the demand with a major increase in second-hand sales. The leasing revenue stands out at €104 million, a 16% rise, thanks to the appreciation of the dollar but it is down by 4% at constant dollar. The average utilization rate is close to 88%.

Modular Buildings: The revenue of the division increases by 26% to €119 million (+24% at constant currency), confirming the trend observed since the beginning of 2015. This recovery of activity is driven by strong dynamism in construction in Germany, Poland and Czech Republic, particularly with the temporary and permanent needs for accommodation for refugees. Demand in Germany is far higher than the whole of Eastern Europe's modular industry. There is furthermore a turnaround of the business in countries where Touax has a more limited presence and in which the Group has succeeded in conquering market shares. This results in a rise in the leasing revenue of 9% to €72.5 million due to both utilization rates and leasing prices increases. In parallel, sales of new and used equipment continue to grow strongly to achieve €46 million (+67%).

River Barges: The lack of sales of second-hand barges during 2015 explains the fall in revenue of the division by 25% to €16.4 million. However, leasing activity is up by 4.4%, driven principally by Europe, and reached €16 million in 2015. Due to the downturn of the economic activity in South America, leasing activity has not continued. The average utilization rate is nearly 95%.

Freight Railcars: The 2015 revenue of the division reached €43 million (-8%). The drop in leasing revenue resulting from sales of railcars in the United States last year is partially compensated by a continuous improvement in leasing activity in Europe, the commissioning of new railcars built for the European and Asian market, as well as the sale of used railcars in Europe.

2015 RESULTS

The 2015 financial year was adversely affected by exceptional items. In certain countries, particularly France and the United States, the rationalization of modular building fleets has generated exceptional assets impairment. The sharp increase of the utilization rates of modular buildings in other countries has prompted a significant volume of modules preparation costs with a view to their leasing, the rental income of these new contracts being spread out until the end of the contracts, whereas the accounting of these costs is immediate.

Consequently, the Modular Buildings business remained under break-even point in 2015. The leasing and sale business of transport equipment (containers, railcars and barges) shows a positive current operational income at 31 December 2015. The consistent profitability of the Group excluding exceptional items is improving.

OUTLOOK

Shipping Containers: We observe a halt to the drop of the steel price, which stabilised at a low point, creating opportunities due to the weak purchase price of the new containers. TOUAX envisages greater investments in new containers in 2016 in association with its investors partners. The recent concentration of the industry should benefit the Group with the willingness of our clients to seek out alternative offers. The growth of containerised traffics is expected to be positive in 2016, China's decrease being compensated by increases in South East Asia, Europe and North America.

Modular Buildings: The dynamism of the market observed in Germany and in Eastern Europe is expected to continue in 2016 with positive impacts expected on the business account. The sales orders of new modular buildings in Europe registered at the beginning of the year are high.

River Barges: We anticipate difficult market conditions in South America, which is adversely affected by the decrease in iron ore shipments, and we expect stabilisation in Europe.

Freight Railcars: Due to the acquisition of an additional fleet of around 2,000 railcars, Touax is diversifying its wagons fleet, reinforcing its position in Germany and establishing in the United Kingdom. The European intermodal railway transport market continues its steady increase since 2014. The lack of investments for the past several years in the sector created the need to replace the fleet of railcars, a large part of which will be financed by the lessors.

The Group continues to implement a growth strategy of its operating cash flows with a stabilisation of its own assets, a growth of its assets under third-party asset management and improved utilization rates. TOUAX anticipates a positive operational income in 2016.

28.2. PRESS RELEASE OF MARCH 24, 2016

2015 net results impacted by €16.1 million of non-recurring items primarily in the Modular Buildings business, including €11.6 million of impairment of assets and €4.5 m of net expenses

Positive operating result for the transportation equipment of leasing and sales business (freight railcars, shipping containers, river barges)

Positive operating cash flow at €41.6 million

Loan to value ratio improved from 63% to 61% in 2015

Forecast of a positive operating income in 2016

Net assets (group share excluding hybrid capital) of €15.75 per share

Main figures *(in € million - IFRS)*	**2015**	2014	Variation 2015-2014
Revenue	**348.2**	**378.7**	**-8%**
including Shipping containers	170.6	215.9	-21%
Modular buildings	118.9	94.1	+26%
River barges	16.4	21.8	-25%
Freight railcars	43.2	47.0	-8%
Miscellaneous and unallocated	-0.9	-0.1	
Gross operating margin - EBITDAR (1)	96.7	94.9	+1.8m€
EBITDA (2)	36.2	40.0	-3.8m€
EBITDA restated for non-recurring items (*)	39.9	38.0	+1.9m€
Operating income	-13.1	4.1	-17.2m€

Profit before tax	-28.4	-13.6	-14.8m€
Profit before tax restated for non-recurring items (**)	-12.3	-13.9	+1.6m€
Consolidated net profit (loss) (Group's share)	**-24**	**-12.9**	**-11m€**
Net earnings per share (€)	-4.08	-2.20	
Total non-current assets	523.8	542.0	-18.2m€
Total assets	689.5	724.6	-35m€
Total shareholders' equity	162.8	184.7	-21.9m€
Net bank borrowing (3)	354.5	358.0	-3.5m€
Operating cash flow	41.6	57.1	-15.5m€
Loan to Value	61%	63%	

(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 €186.7 million in debt without recourse in 2015
(*) Non-recurring items included in the EBITDA relate to €0.7 million of impairment for assets, €1.3 million of contingency provision, €1.6 million of additional costs for asset preparation related to both re-leasing of modular assets and rising utilisation rates and €2 million of extraordinary income in 2014.
(**) Non-recurring items included in the current before tax profit relate to €11.60 million of impairment for assets, €1.3 million of contingency provision, €1.6 million of additional costs for asset preparation related to both re-leasing of modular assets and rising utilisation rates, €2.4 million of exceptional refinancing costs reduced by €0.7 million for the "mark to market" value accounting of the Redeemable Bonds issued in July 2015 and €2 million of extraordinary income reduced by €1.7 million of impairment for assets in 2014.

The consolidated accounts were approved by the Managing Partners on 23 March 2015 and were submitted to the Supervisory Board. They were audited by the statutory auditors. The audit reports are in the process of being issued.

YEAR 2015

Consolidated revenue for the year 2015 reached €348.2 million compared with €378.7 million in 2014. Despite an increase in the Modular Buildings business, lower investor syndications in the Shipping Containers business explain most of this variation.

The Modular Buildings leasing and sales business grew strongly in 2015 resulting in a significant increase in utilisation rates but also generating additional preparation costs. The leasing and sales business for transportation equipment (containers, railcars and barges) posted a positive operating result in 2015 which did not offset the loss of Modular Buildings business.

In 2015, the Group recorded €11.6 million of exceptional impairment, of which €10.8 million related to Modular Buildings in order to accelerate the assets rationalization in France and the United States.

The strategy to reduce the company's own investments, the sale of non-strategic or non-leased assets and financing growth through third party investors have created positive operating cash flows that ensure the objective of reducing the Group's net debt to be achieved.

The €1.8 million increase in the EBITDAR to reach €96.7 million in 2015 is related to the growth in the Shipping Containers business which is marked by the rising US dollar. The EBITDAR reflects the performance of our business activities and all the assets managed by the Group. Overall, the Group manages €1.8 billion of assets, 41% of which are owned by the Group. At constant exchange rates, managed assets were stable.

The EBITDA decreased by €3.8 million, from €40 million in 2014 to €36.2 million in 2015. Restated for non-recurring items (€0.7 million of impairment for assets, €1.3 million of contingency provision and €1.6 million of additional costs for asset preparation linked to both re-leasing of modular assets and rising utilisation rates in 2015 and €2 million of extraordinary income in 2014), the EBITDA rose by €1.9 million to €39.9 million, reflecting the Modular Buildings business recovery.

Distributions to investors increased due to the Euro-Dollar exchange rate effect.

Overall, operating income decreased by €17.2 million reaching -€13.1 million in 2015. This difference is mainly explained by the year's exceptional impairment and expenses. Restated for exceptional items in 2014 and 2015, operating income was stable (€3.7 million in 2015 compared to €3.8 million in 2014).

Lower average net debt and interest rates have reduced the weight of the Group's financial burden.

The current profit before tax amounted to -€28.4 million in 2015.

Restated for non-recurring items, the current profit before tax increased in line with the recovery of the Modular Buildings business. The non-recurring items include €11.6 million of impairment for assets, €1.3 million of contingency provision, €1.6 million of additional costs for asset preparation related to both re-leasing of modular assets and rising utilisation rates, €2.4 million of exceptional refinancing costs reduced by €0.7 million for the "mark to market" value accounting of the Redeemable Bonds issued in July 2015 and

€2 million of extraordinary income reduced by €1.7 million of impairment for assets in 2014.

Net loss attributable to the Group increased by €11 million reaching -€24 million in 2015. The result is mainly affected by the €16.1 million of non-recurring items detailed above.

FINANCIAL STRATEGY

The Group's financial strategy aims to further lower its debt in order to create shareholder value, while improving its operating profitability to maximize free cash flow, and financing its growth mainly through third party investors.

Net debt decreased slightly, since the Group purchased €20 million of railcars in 2015 to be sold to investors but still carried on the balance sheet at 31 December 2015. These railcars will be sold in 2016.

The Group's net banking debt decreased by €3.5 million (-1%) to €354.5 million in 2015. The average rate of gross financial debt on 31 December 2015 stood at 3.67% compared with 3.52% at the end of December 2014. Banking ratios were met.

TOUAX has successfully strengthened its financial resources in 2015 by issuing €23 million of redeemable bonds and by refinancing its Corporate syndicated loan of €67.5 million for a period of 4 years.

The Group's free cash (cash flow from operating activities after investments and changes in working capital) was positive at €41.6 million at end of December 2015. At the next Annual General Meeting, the Managing Partners will propose a dividend of 25 cents per share.

OUTLOOK

We are seeing a stabilisation of steel prices to a historical low level in the **Shipping Containers** business, creating opportunities for buyers. TOUAX envisages larger container syndications in 2016 with its investment partners.

As regards the **Modular Buildings** business, the strong performance of Germany and Eastern Europe will have significant positive impacts on the accounts due to both high demand in these countries and rising utilisation rates already observed in 2015.

Demand for **River Barges** differs according to the countries with an environment that will largely remain difficult in South America.

The **Freight Railcars** leasing business in Europe is being strengthened and Touax should benefit from economies of scale in an improving market.

The Group is continuing to implement a growth strategy for its operating cash flow with a stabilisation of its own assets, growth of its assets under third-party asset management and improved utilisation rates. TOUAX anticipates a positive operating income in 2016.

28.3. Presentation of the outlook given at the SFAF meeting on March 24, 2016

Section 6 on the business overview, paragraph 12.2 on the known trends, and paragraph 26.1 on the expected outlook described in the Managing Partners report are completed by the following information presented on announcement of the Group's annual results:

In the short term, the Group intends to continue its strategy of a positive free cash and a reduction of its indebtness:

- 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 2016;
- by the return of a normal profitability of the Modular Buildings division by improving both utilization rate and/or leasing rate and by eliminating the fleet's overcapacity through sales;
- by the growth in the freight railcars fleet under management thanks to third party financing allowing Touax to strengthen its position in Europe and establish in the UK;
- by the growth in the river bares fleet 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 to 5%, with a fleet under management of 800,000 containers compared with about 585,400 at the end of 2015. In a context of growth of global trade of 3.4% in 2016 estimated by IMF, the Group expects more syndications while a low point of steel price has been reached.
- The objective of the Modular Building division is to restore a normalized profitability along with a target of an EBITDA over than €30 million.
- 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. The European average age of the fleet being old, there is a market need for replacement of the existing fleet;
- The objective of the River Barge division is to continue its investments in Europe and in the United States.

29. DRAFT OF RESOLUTIONS

COMBINED SHAREHOLDERS' MEETING TO BE HELD ON 9 JUNE 2016

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 2015)

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, 2015, hereby approves the annual financial statements for the fiscal year ended December 31, 2015, as presented to the Meeting, showing a net income of €661,664.

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 €250,329 resulting from the fiscal integration.

SECOND RESOLUTION (APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE FISCAL YEAR 2015)

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, 2015, as presented to the Meeting, as well as the transactions reflected in these statements showing a Group's loss of €23,955,136.

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 2015 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 2015 fiscal year	661 664 €
Less the allocation for the legal reserves	-33 083 €
Less General Partners's statutory compensation	-362 264 €
Allocation of the balance to the retained earnings	266 317 €
Increased by the positive retained earnings	2 248 386 €
For a total of distribuable profit of	**2 514 703 €**
Distribution of a total amount of €0.25 per share to be paid out on the total distributable profit	1 790 391 €
Balance to the retained earnings	**724 312 €**

The maximum number of shares giving entitlement to the dividend for the 2015 financial year, corresponding to actions with a dividend right on 1 January 2016 amounted to 7,161,564 shares, corresponding to the number of shares making up the Company's capital on 31 December 2015, namely 5,883,782 shares, plus the number of shares created under the terms of the warrants between the closing date and their expiration date as well as the maximum number of shares that could be issued pursuant to the exercising of the Convertible Bonds, which may occur up to the date of posting.

The dividend associated with the shares which had not been created on the day of the AGM as a result of the convertible bonds as well as treasury stock will be carried forward in the accounts for the relevant part.

Pursuant to Article 158-3 of the General Tax Code, this dividend entitles individuals registered in France for tax purposes to a reduction of 40%.

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
2012	11 January 2013		0,50	5 735 033	2 867 517
2012	05 July 2013	892 151			892 151
TOTAL 2012			**0,50**		**3 759 667**
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**
2014	2 January 2015		0,50	5 876 528	2 938 264
2014	01 July 2015	400 017			400 017
TOTAL 2014			**0,50**		**3 338 281**

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.

SEVENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, after taking note of the Managing Partners report, 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 2016.

EIGHTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, after taking note of the Managing Partners report, 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 2016.

NINETH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, after taking note of the Managing Partners report, 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 2016.

TENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, after taking note of the Managing Partners report, 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 2016.

ELEVENTH RESOLUTION (APPOINTMENT OF A NEW PRINCIPAL AND SUBSTITUTE STATUTORY AUDITOR)

The General Meeting, after taking note of the Managing Partners report, decides to appoint

- RSM PARIS as principal co-statutory auditor, whose headquarters are located at 26 rue Cambacérès in Paris (75008), represented by Mr. Stéphane MARIE, and
- FIDINTER, as substitute co-statutory auditor, whose headquarters are located at 26 rue Cambacérès in Paris (75008), represented by Mr. François AUPIC,

for a period of six financial years, until the Annual Ordinary General Meeting to be held in 2022 to approve the accounts for the year ended 31 December 2021.

TWELFTH 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: €30

Maximum amount: €17,651,448

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, in accordance with the resolution n°13 of the Shareholders meeting of 9 June 2016.

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 13th resolution of the Ordinary General Meeting of June 11, 2015.

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.

On first notice of meeting, the Extraordinary General Meeting can only validly proceed if the shareholders present in person or by proxy hold at least one fourth of the shares to which voting rights are attached. Motions pass by majority of two third votes cast

THIRTEEN RESOLUTION (AUTORISATION FOR THE CANCELLATION OF THE SHARES)

The Annual General Meeting, having considered the report of the Management Board and the report of the Statutory Auditors and pursuant to Article L. 225-209 of the Commercial Code,

1) authorises the Management Board, for a period of twenty-four months from this General Meeting, to reduce the share capital on one or more occasions, by a maximum of 10% of the share capital, calculated on the day of the cancellation, per period of twenty-four months, by cancelling some or all of the treasury shares acquired under the stock redemption programme adopted by the company's shareholders at, before or after the present General Meeting.

2) authorises the Management Board to allocate the difference between the repurchase price of the cancelled shares and their par value at the time of cancellation, to the premiums and free reserves;

3) gives all powers to the Management Board to determine the terms and conditions of the cancellation(s), in order to amend, where appropriate, the Company's statutes, make any declarations, carry out any other formalities, and in general do anything necessary.

This authorisation enters into effect upon its acceptance by the present General Meeting. It cancels and replaces the authorisation granted by the Annual General Meeting of 11 June 2015, in its 21st resolution.

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 April 14, 2016:

- the reference document for the fiscal year ended December 31, 2013, submitted on April 10, 2014 under reference number D.14-0333;
- the reference document for the fiscal year ended December 31, 2014, submitted on March 23, 2015 under reference number D.15-0187.

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.

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This reference document was submitted to the French Financial Markets Authority (AMF) on April 14, 2016 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) (www.amf-france.org).

Find TOUAX 2015 document reference on our website **www.touax.com**

For more information on our businesses:
www.touax.fr
wwww.touax-container.com
www.touaxrail.com
www.touax-river-barges.com

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