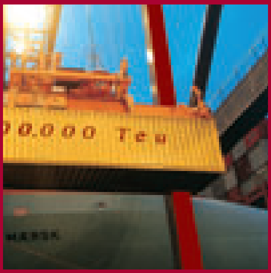
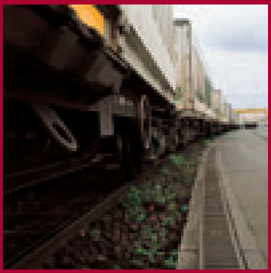
TOUAX

annual report

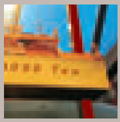
your operational leasing solution

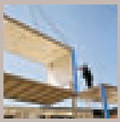


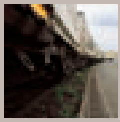


2003

contents







Your operational leasing solution

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

The TOUAX Group has increased its turnover by 1.8 times in the past five years, to an operating revenue of €167.8 million in 2003, 86% of which was generated outside France.

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

- shipping containers, a fleet of 199,665 TEU (twenty foot equivalent units) throughout the world, placing the Group second in continental Europe and 10th worldwide (source: Containerisation International, Market Analysis, Container Leasing Market 2003);
- modular buildings for offices, schools and hospitals, are used by industry, local authorities and the construction and public works sector. TOUAX is the third-largest European leasing company and the fourth-largest in the world, with a fleet of 19,443 units in Europe and the United States (source: TOUAX);
- river barges ; for leasing and the transportation of dry bulk goods in Europe and the USA. With 192 units and a transport capacity of 462,910 tonnes (source: TOUAX), the Group is one of the leading operators in Europe;
- railcars ; for the transportation of goods by railway companies and major industrial groups in Europe and the USA. The Group manages a fleet of 1,736 railcars.

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

- flexible service,
- modern equipment, in good condition,
- ease of use,
- fast availability,
- subcontracted maintenance,
- an alternative to capital expenditure.

As at 31 December 2003, the Group managed equipment on its own behalf and on behalf of institutional investors with a value of €513 million.

HISTORICAL BACKGROUND **1855** Funding of Compagnie de Touage de la Basse Seine et de l'Oise **1898** Creation of TOUAX, a towage company, resulting from the merger of Compagnie de Touage de la Basse Seine et de l'Oise and Société de touage et de remorquage de l'Oise: TOUAX owns 14 chain tows and 31 tug boats **1906** The company is listed on the Marché Comptant of the Paris stock exchange **1926** Significant acquisitions and buyouts of minority interests in many companies (Compagnie fluviale du midi sur la Garonne, Société de Traction de la Meuse et de la Marne) **1946** Capital increase to finance the renovation of equipment **1954** First investments in the railcars business **1973** Launch of the modular buildings business **1974** Development of the containers business **1981** International development with the creation of TOUAX Corporation in the United States **1985** Acquisition of the container company Gold Container Corporation **1995** Start-up of financing by securitization and decision to expand equipment management programs for investors **1999** TOUAX is listed on the Second Marché of the Paris Stock Exchange **2001** Creation of the subsidiary TOUAX RAIL Ltd in Dublin to develop the railcars business **2002** TOUAX joins EURONEXT's NextPrime market segment.

review of the year and outlook

The Group has continued its development in the operational leasing of standardized mobile equipment (shipping containers, modular buildings, river barges, freight railcars). TOUAX met its targets for revenue growth in 2003 (€168 million, a rise of 14%). Net attributable income was in line with forecasts. The decline in EBITDA was mainly due to a lower contribution from gains on disposals in 2003. The decrease in fixed assets reflects in particular the sale to investors of equipment which for the most part continues to be managed by TOUAX.

The shipping containers business benefited from the globalization of trade and the continuous growth in international commerce. This growth has stimulated investment in new shipping containers (€48.5 million) placed under long-term lease contracts with the world's major shipowners. The fleet under Group management grew by almost 20% in 2003.

The modular buildings business suffered as a result of the weakness of the European economy, which led to a fall in leasing rates. The decrease in the margin nevertheless remained limited, due to the signing of long-term lease contracts with industrial and public sector operators, control of operating costs and the establishment of new management programs for investors.

The river barges business was affected by exceptional weather conditions in Europe (unprecedented drought on the Danube), which impeded transportation, and by a low level of leasing activity in the United States.

Railcar leasing saw continued growth amid favorable conditions in Europe (renewal and outsourcing of customer assets, liberalization of European rail transport since 2003). The fleet under Group management comprised 1,736 railcars as at 31 December 2003, compared to 1,067 at the end of 2002. To finance its growth in 2003, the Group continued to attract investors for its management programs. These new programs (€57.6 million) enabled the Group to finance growth while reducing net bank borrowing (–19%). At a time when financial and money markets are characterized by low yields, these programs offer attractive returns due to the intrinsic qualities of the investments which TOUAX offers: long-term contracts, recurrent profitability, mobile and standardized equipment with low obsolescence and good value retention.

The start of the current year has been marked by the sharp rise in the price of steel, the main raw material used in the Group's equipment. This rise is beneficial for our asset valuations. Moreover, leasing rates are historically linked to equipment values. The trend for 2004 is therefore favorable, albeit to varying degrees depending on the individual business. The Group remains confident in the robustness of its long-term growth model, underpinned by the know-how of its workforce and its ability to win market share, and expects revenues to rise by 5% (depending on the trend in the US dollar exchange rate). Our equipment leasing businesses provide the flexibility and outsourcing solutions that our customers require.

We would like to thank all of our 300 employees for providing our customers with a quality of service that has made us one of the world's leading operational leasing companies in each of our four businesses.

Fabrice and Raphaël Walewski
Co-Chairmen

shipping lines
international trade
standardization
recent fleet

14 BRANCHES IN ASIA, EUROPE, NORTH AMERICA, SOUTH AMERICA, AUSTRALIA AND INDIA

2.5 YEARS AVERAGE AGE OF THE FLEET

shipping containers

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

A strong growth market

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

With its American subsidiary (Gold Container Corporation), the TOUAX Group has seen its fleet size increase over the past seven years by more than 170,000 TEU (twenty foot equivalent units), growing from 26,198 TEU in 1996 to 199,665 TEU at the end of 2003). The company is now the tenth-largest lessor worldwide and the second-largest in continental Europe (source: Containerisation International, Market Analysis: Container Leasing Market 2003).

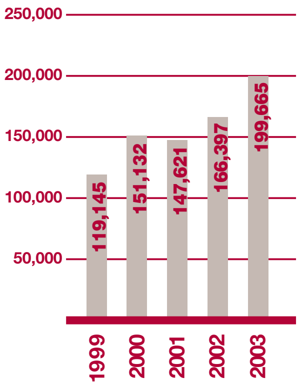
The TOUAX service

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

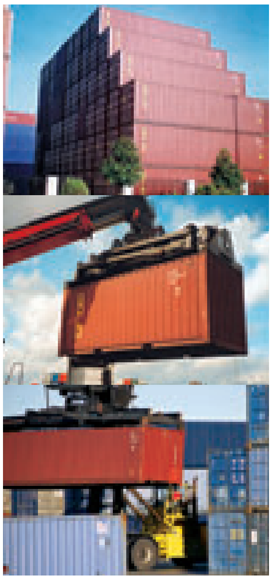
Its fleet is constantly being updated and now has an average age of 2.5 years.

Gold Container Corporation offers a very wide range of contracts:

- short-term operational leases (renewable annual contract of the "master lease" type);
- long-term operational leases (3 to 7 years) with or without option to purchase;
- lease-purchase;
- sale and leaseback program.



Fleet managed by the Group



Gold Container Corporation works with over 120 shipping companies worldwide, including 22 of the top 25. Its customers include leading names such as Maersk Line, ZIM, Mediterranean Shipping Company, P&O Nedlloyd, China Shipping, etc.

Presence

The Group maintains an international presence through a network of five offices (in Paris, Miami, Hong Kong, Singapore and Shanghai), 11 branches in Asia, Europe, North and South America, Australia and India and is linked to approximately 120 depots in the world's leading ports, thereby providing global coverage for all its customers.

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

By 2005 the Group aims to achieve a fleet size of 250,000 TEU, to meet the demands of its principal customers and thus consolidate its position among the world's 10 leading lessors of shipping containers.

offices
schools
hospitals
community facilities

3rd IN EUROPE

4th IN THE WORLD
SOURCE : TOUAX

modular buildings

A flexible service attuned to customers' expectations.

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

At the end of 2003, TOUAX operated a fleet of 19,443 units, placing it third in Europe and fourth in the world (source: TOUAX).

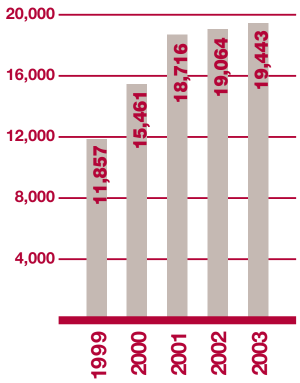
Clear advantages

TOUAX modular buildings enable customers to:

- save money, as they are less expensive than traditional buildings,
- save time, as the units can be rapidly delivered and the workspace installed in just a few weeks,
- custom design their workspace at minimum cost, making it easy to expand, reduce or transfer buildings from one location to another,
- have attractive, safe and comfortable buildings, with ergonomic workplace environments.

A diverse customer base

The main customers are drawn from the industrial sector, local authorities and construction and public works companies. TOUAX provides buildings for offices, hospitals, laboratories, schools and other community facilities. Thousands of customers are loyal to TOUAX buildings, including: Total, Bayer, Coca Cola, Boeing, Renault, Matra, Air France, Merck, Siemens, regional authorities, etc.



Fleet managed by the Group

Development of a branch network in Europe and the USA

The Group operates across an increasingly wide geographical area.

In France, TOUAX has branches in Aquitaine, Champagne-Ardennes, the Paris region, Provence-Alpes-Côte d'Azur, Pays de la Loire, Nord-Pas-de-Calais, Normandy and Rhône-Alpes.

The Group is also present in Germany, operating mainly in and around Hamburg/Kiel, Rostock, Berlin, Leipzig, Dresden and Frankfurt. TOUAX has also expanded to Moerdijk in the Netherlands, Louvain in Belgium, Madrid and Barcelona in Spain, Gdansk, Poznan, Warsaw and Katowice in Poland and Florida and Georgia in the United States.

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

environmentally friendly
competitive
leasing
transportation

201 BARGES, SELF-PROPELLED BARGES AND PUSHBOATS

1st IN EUROPE DRY CARGO BARGES (SOURCE : TOUAX)

river barges

A growth service driven by economical and environmental benefits.

River transport remains the most competitive mode of inland transportation. It is also the least costly for the community and the most environmentally friendly, as it helps to take traffic off the roads. Customers rely on TOUAX for their fleet outsourcing needs and when subcontracting their river transportation requirements.

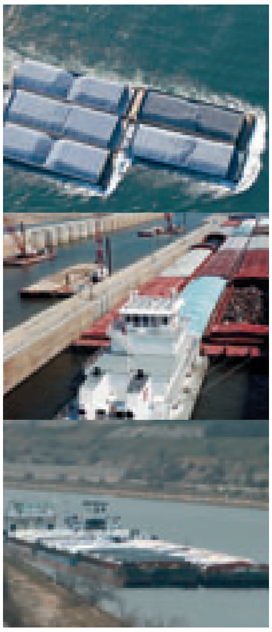
A solid reputation for quality service among industry and transport operators

The Group provides two types of service:
– transportation and chartering (55% of units),
– leasing of river barges (45% of units),

As at 31 December 2003, the TOUAX Group managed a fleet of 201 barges, self-propelled vessels and pushboats (including 192 barges), making it the largest company in Europe providing barge transport of bulk dry cargo, with a daily transport capacity of 462,910 tonnes (source: TOUAX).

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

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



International presence

TOUAX benefits from a wide geographical presence:

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

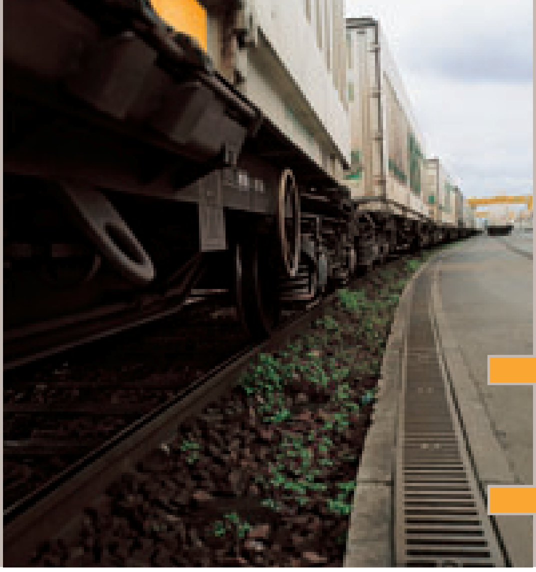
In the Netherlands (Rhine), the Group leases barges and transports and stores phosphates, fertilizers, coal, ore and iron. In addition, the Group maintains a river link between Rotterdam and a large number of ports in the Benelux countries, France, Germany and Switzerland, for the transportation of containers.

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

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

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

flexible leases
intermodal cars
hopper cars
combined rail-road



2nd LARGEST EUROPEAN LESSOR OF INTERMODAL RAIL CARS (SOURCE: TOUAX)

4 OFFICES IN EUROPE AND USA

freight railcars

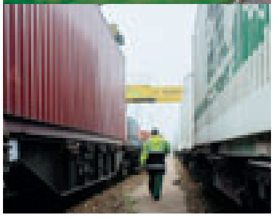
Services for industrial operators and rail networks.

TOUAX has formed a joint venture with Chicago Freight Car Leasing (CFCL – TOUAX). This partner operates over 7,500 hopper cars for transporting heavy products such as sand, cement and grain.

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

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

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

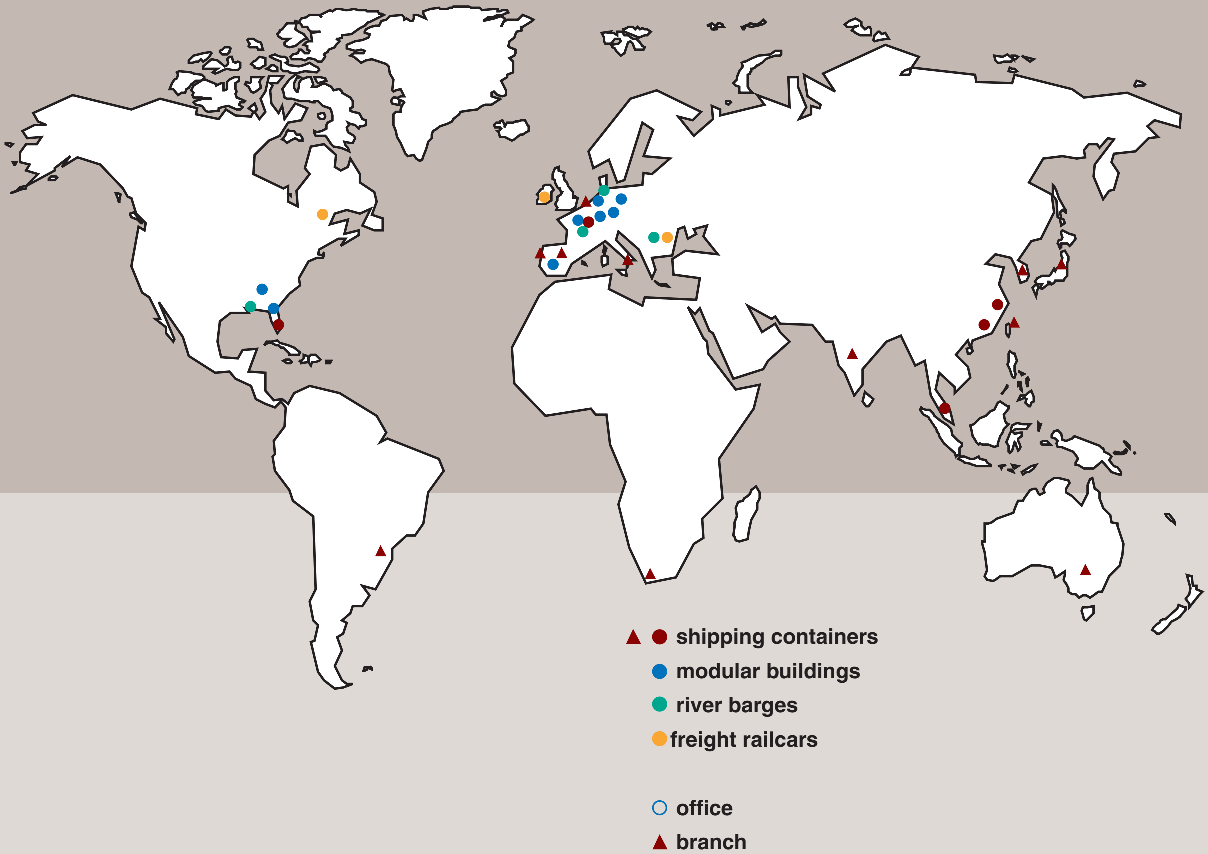


The Group is currently working with the main public and private rail operators in Europe and the United States, as well as the major industrial groups that use this mode of transport.

Presence and outlook

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

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



FRANCE
(Paris)
Europe/Africa region

UNITED STATES
(Miami)
Americas region

CHINA
(Hong-Kong, Shangaï)
North Asia region

SINGAPORE
South Asia region

FRANCE

BELGIUM

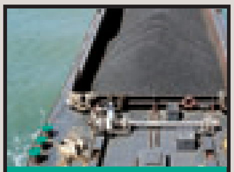
NETHERLANDS

GERMANY

POLAND

SPAIN

UNITED STATES
Florida and Georgia



FRANCE
Seine, Rhone, Garonne

NETHERLANDS
Rhine

ROMANIA
Danube

UNITED STATES
Mississippi

IRELAND
(Europe region)

UNITED STATES

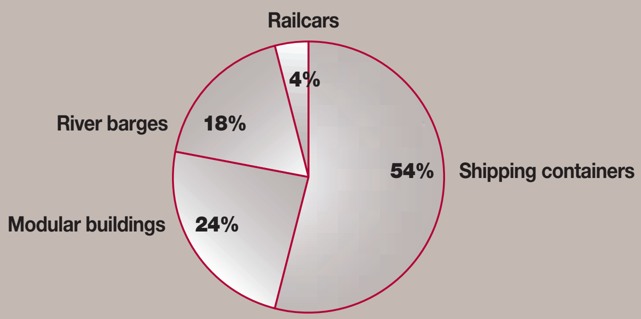
ROMANIA
(Eastern Europe region)

AGENTS

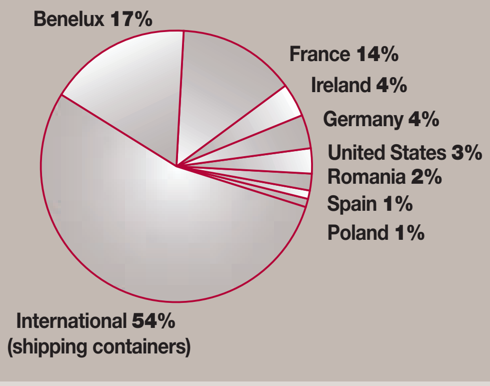
BRAZIL Sao Paulo
BELGIUM Antwerp
ITALY Genoa
SPAIN Barcelona
PORTUGAL Porto
SOUTH AFRICA Durban
INDIA Bombay
AUSTRALIA Melbourne
TAIWAN Taipei
JAPAN Tokyo
SOUTH KOREA Seoul

The TOUAX Group
Listed on the Second Marché
Euronext Paris – NextPrime segment
ISIN code: FR0000033003 – Reuters
TETR. PA – Bloomberg TOUPFP equity

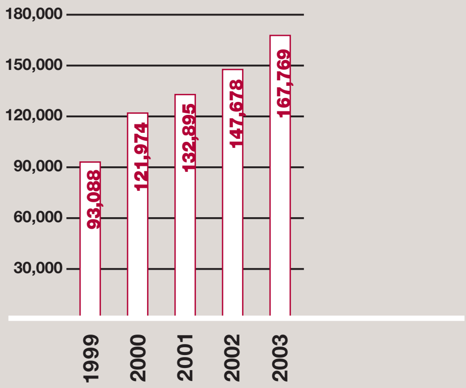
key figures 2003



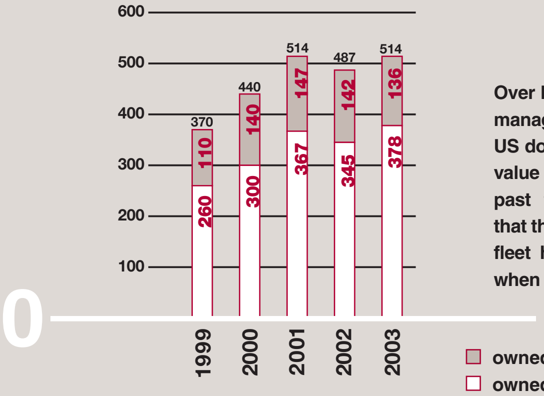
Breakdown of revenues by business



Breakdown of revenues by geographical area*

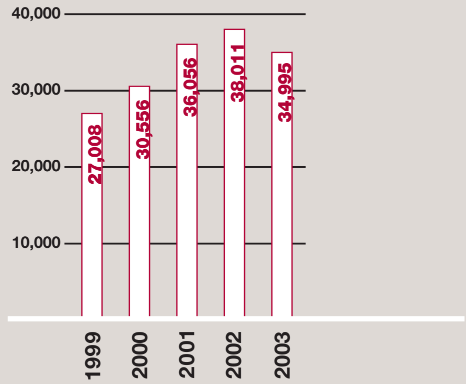


Consolidated revenues
(in thousands of euros)

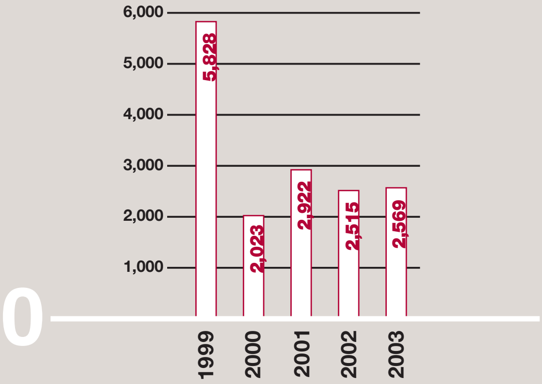


Over half of the assets under management are valued in US dollars. The decline in the value of the dollar over the past two years has meant that the value of the managed fleet has remained stagnant when expressed in euros.

Breakdown of assets under management
(in thousands of euros)



Consolidated operating income
(in thousands of euros)



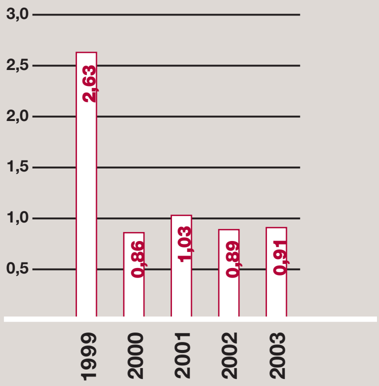
Consolidated net attributable income
(in thousands of euros)

---

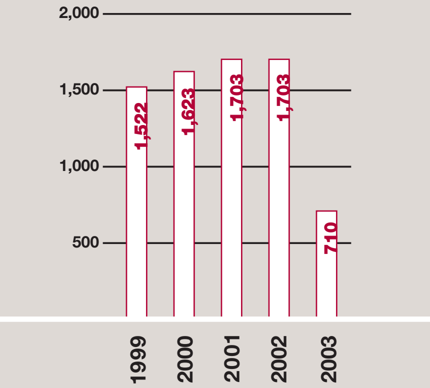
* The breakdown into geographical sectors is based on the locations of Group companies, except in the case of shipping containers, where it is based on the location of customers, who by their nature operate internationally. For the record, the shipping containers business is centralized within an American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

Stock market

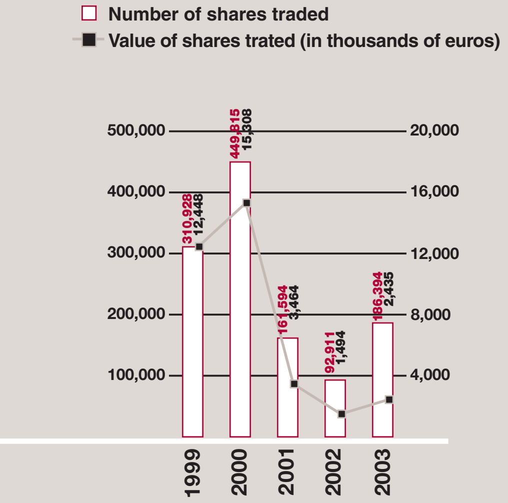
Trend in the share price (base price = 100)



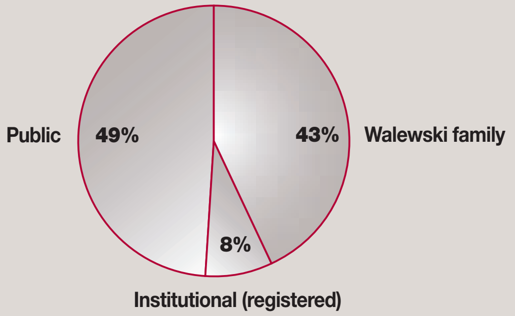
Net earnings per share (in euros)



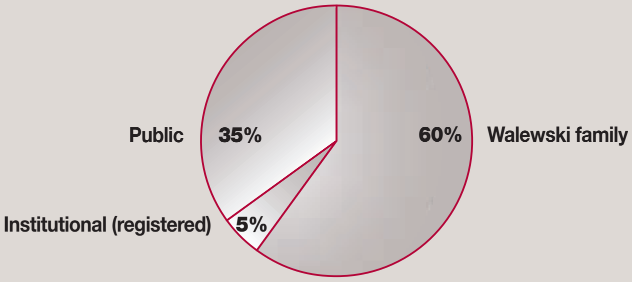
Dividends distributed
(in thousands of euros)



Shares traded over a
5-year period



Distribution of capital
as at 31 December 2003



Distribution of voting rights
as at 31 December 2003

Schedule of future financial announcements:

Revenues for 1st quarter 2004 – **week of 14 May 2004** • Revenues for 2nd quarter 2004 – **week of 9 August 2004** • Ordinary General Meeting of Shareholders – **28 June 2004** • Payment of dividend for 2003 – **5 July 2004** • First-half results 2004 – **30 September 2004** • Presentation of first-half results and outlook for 2004 (SFAF meeting) – **30 September 2004** • Revenues for 3rd quarter 2004 – **week of 8 November 2004** • Revenues for 4th quarter 2004 – **week of 7 February 2005**.

contents

Trend in the results of the TOUAX Group

Revenues for the period

Turnover totaled €167.8 million, compared to €147.7 million in 2002. This represents an increase of €20.1 million, or 14%.

The shipping containers business generated turnover of €90.1 million (an increase of 36% compared to 2002). Growth came mainly from sales of containers to investors under new management programs.

Turnover in the modular buildings business totaled €40.4 million (compared to €44.8 million in 2002), falling by 10% in more difficult economic conditions.

Turnover in the river barges business totaled €30.2 million, compared to €33.2 million in 2002, a fall of 9%. This decrease is mainly attributable to a shift of focus towards leasing and long-term transport contracts (sale of the holding in the Belgian company Eurokor Barging BVBA).

Turnover in the railcars business amounted to €6.9 million euros, a rise of 113% compared to the 2002 figure of €3.2 million. The railcars business was boosted by the signing of a major contract at the end of 2002. The fleet size has increased significantly.

Operating income

Operating expenses before depreciation totaled €124.7 million (74.3% of turnover), against €99.9 million (67.6% of turnover) in 2002. These expenses include the cost of sales, other operating expenses and gains on disposals. The rise in operating expenses can be explained mainly by the implementation of new management programs (and consequent higher cost of sales) and by a decrease in gains on disposals.

The increase in equipment purchases in 2003 is in line with the increase in sales. Current gains on equipment disposals recorded in 2003 amounted to €2.3 million, compared to €6.1 million in 2002. The decrease in gains on disposals largely explains the decrease in management balances referred to later in this report.

For the record, since 2002 other operating expenses and income have included gains on disposals as well as other operating expenses and income formerly stated under exceptional items.

Gross operating profit amounted to €43.2 million in 2003, a decrease of 7.7% compared to the €46.8 million recorded in 2002. EBITDA amounted to €43.1 million in 2003, against €47.8 million in 2002, a fall of 9.8%. These decreases are largely due to a lower contribution from gains on disposals.

After the deduction of €8.1 million depreciation, operating income amounted to €35 million, a fall of 7.9% compared to the €38 million recorded in 2002. An exceptional depreciation charge of €0.6 million was recorded in relation to the river barges business.

Group's share in joint operations (distribution to investors)

The Group's share in joint operations records the profits distributed to investors. These amounted to €30.9 million (against €27.6 million in 2002) and break down as follows:

- Shipping containers – €25.9 million,
- Modular buildings – €3.6 million,
- River barges – €0.7 million,
- Railcars – €0.7 million.

The overall rise in the amount distributed to investors is due to the concluding of new management programs in 2003.

Financial result

There was a net financial expense of €3 million, compared to €5 million in 2002. The €2 million decrease in the net financial expense was mainly due to a positive currency effect linked to the fall in the value of the dollar (€1 million) and lower interest charges (€1 million).

Net attributable income

Taxes include both current and deferred tax. The stated tax figure includes a deferred tax asset of €2.8 million resulting principally from fiscal arrangements in America.

Amortization of goodwill amounted to €1.2 million, including an exceptional writedown of €0.9 million in respect of the INTERFEEDER-DUCOTRA BV subsidiary.

Consolidated net attributable income amounted to €2.6 million, in line with the 2002 figure of €2.5 million.

Net earnings per share amounted to €0.91 (€0.89 in 2002) for the 2,838,127 shares which make up the share capital.

Consolidated balance sheet

The consolidated balance sheet total in 2003 was €171.6 million, compared to €186.4 million in 2002.

Net fixed assets totaled €102.0 million, compared to €124.4 million in 2002. Shareholders' equity amounted to €46.8 million, compared to €52.2 million. The decrease in shareholders' equity can largely be attributed to the fall in the value of the US dollar (–€5.7 million). Debt totaled €79.8 million, a decrease of €2.0 million compared to 2002 (€81.8 million).

Company financial statements

TOUAX SA recorded turnover of €28.3 million in 2003, compared to €31.7 million in 2002. Net income amounted to €1.8 million, compared to €3.1 million in 2002. The balance sheet total of TOUAX SA was €80.7 million, compared to €97.9 million in 2002.

Non-deductible expenses totaled €546,000. This figure largely comprises unrealized foreign exchange gains (€274,000) and provisions for paid leave (€138,000).

Recent events

The Group is not aware of any event occurring since the end of the financial year which is liable to have a significant impact on its financial situation or affect its share price.

Consolidated revenues for the 1st quarter 2004 amount to: € 32.9 millions

Consolidated datas (in thousands euros)	2004	2003	variation
Shipping containers – turnover 1st quarter	15,370	14,183	8%
Modular buildings – turnover 1st quarter	8,690	9,952	–13%
River barges – turnover 1st quarter	7,516	8,333	–10%
Railcars and miscellaneous – turnover 1st quarter	1,356	1,032	31%
Consolidated revenues for the 1st quarter	**32,932**	**33,500**	**–2%**

As of end of March 2004, TOUAX Group revenues were € 32,932,205 a decrease of 2% compared to the first quarter 2003. On a comparable scope of consolidation and a dollar constant basis, revenues decreases by 11%.

The shipping container activity (+8%) benefits from the globalization of trade and the continuous growth in international commerce. The modular building activity reflects the decrease of leasing prices in Europe in 2003. The river barges activity rose by 10% on a comparable scope of consolidation. The railcars activity increased by 31% due to the increase of fleet size and the sale of equipment.

Trend in the results of the TOUAX Group

TURNOVER, OPERATING INCOME AND CONSOLIDATED NET INCOME BY BUSINESS AND BY GEOGRAPHICAL REGION

(in thousands euros)	2003		
	Turnover	Operating income	Attributable net income
Shipping containers	90,127	28,831	4,527
Modular buildings	40,350	7,335	1,006
River barges*	30,247	204	–2,584
Railcars	6,899	1,698	733
Various	146	–134	–134
Non-allocated		–2,938	–978
TOTAL	**167,770**	**34,996**	**2,569**

* After exceptional asset writedowns of €1.5 million.

(in thousands euros)	2002		
	Turnover	Operating income	Attributable net income
Shipping containers	66,278	25,880	1,592
Modular buildings	44,838	8,147	1,339
River barges	33,180	1,926	–799
Railcars	3,242	5,190	3,959
Various	140	–4	9
Non-allocated		–3,128	–3,585
TOTAL	**147,678**	**38,011**	**2,515**

(in thousands euros)	2001		
	Turnover	Operating income	Attributable net income
Shipping containers	48,945	25,154	2,299
Modular buildings	45,605	9,365	2,035
River barges	33,898	2,237	–120
Railcars	4,296	3,067	1,698
Various	151	274	1,345
Non-allocated		–4,041	–4,334
TOTAL	**132,895**	**36,056**	**2,923**

The "non-allocated" item covers overheads and corporation tax in respect of the parent company and sub-holdings.

The breakdown into geographical sectors is based on the location of Group companies, except in the case of shipping containers, where it is based on the location of customers. For the record, the shipping containers business is centralized within an American subsidiary.

(in thousands euros)	2003		
	Turnover	Operating income	Attributable net income
International (shipping containers)	90,127	28,830	4,066
Benelux	29,243	1,783	–1,208
France	23,571	4,240	533
Ireland	6,892	1,730	448
Germany	6,230	1,231	176
United States	5,387	265	–293
Romania	3,376	–850	–631
Spain	1,846	527	242
Poland	1,097	199	171
South America	0	–22	43
Non-allocated		–2,938	–978
TOTAL	**167,769**	**34,995**	**2,569**

(in thousands euros)	2002		
	Turnover	Operating income	Attributable net income
International (shipping containers)	66,278	25,836	1,272
Benelux	31,194	2,082	–387
France	27,629	9,170	4,793
Germany	7,232	1,034	–109
United States	6,912	748	–72
Romania	3,873	–302	–106
Spain	2,035	461	184
Ireland	1,686	1,248	523
Poland	839	–279	–297
South America		1,140	298
Non-allocated		–3,127	–3,584
TOTAL	**147,678**	**38,011**	**2,515**

(in thousands euros)	2001		
	Turnover	Operating income	Attributable net income
International (shipping containers)	48,945	25,153	2,810
Benelux	31,161	1,086	–1,575
France	30,186	10,386	6,025
United States	8,639	2,008	99
Germany	8,439	1,198	–85
Romania	2,629	–224	25
Spain	1,451	534	375
South America	1,445	–44	–421
Poland			
Ireland			
Non-allocated		–4,041	–4,331
TOTAL	**132,895**	**36,056**	**2,923**

General information – stock market data

Share history

The TOUAX share was listed on the Marché Comptant of the Paris stock exchange on 7 May 1906. On 14 June 1999 it was transferred to the Second Marché. The TOUAX share became a constituent of the Second Marché index on 7 March 2000 and was included in the NextPrime quality segment of Euronext on 2 January 2002. Since that date it has been a constituent of the NextPrime index.

The TOUAX share price

The TOUAX share ended 2003 at a price of €14.95, 21.2% higher than on 31 December 2002. The highest price in 2003 was reached in November (€16.75), and the lowest price in March (€9.80).

As at 31 December 2003, the Group's market capitalization was €42.43 million.

KEY DATA FOR SHAREHOLDERS

(in euros)	1999	2000	2001	2002	2003
Consolidated data					
Total number of shares on 31 December (2)	2,218,440	2,365,106	2,838,127	2,838,127	2,838,127
Net dividend per share	0.69	0.69	0.36	0.60	0.25
Tax credit (1)	0.34	0.34	0.18	0.30	0.125
Global dividend per share	1.03	1.03	0.54	0.90	0.375
Repayment of contribution per share	–	–	0.24	–	
Total per share	1.03	1.03	0.78	0.90	0.375
Total distribution for the period	1,521,895	1,622,511	1,702,876	1,702,877	709,532
Increase in distribution	7%	7%	5%	–	58%
Stock market ratios					
Net earnings per share	2.63	0.86	1.03	0.89	0.91
P.E.R. (4)	14.83	38.26	17.53	13.85	16.43
Total yield on the share (%)	2.64	3.13	4.32	7.30	2.51(3)
Stock market data					
CHighest share price	44.33	38.99	27.44	19.50	16.75
Lowest share price	34.46	25.50	14.80	11.00	9.80
Share price on 31 December	39.00	32.90	18.06	12.33	14.95
Market capitalization (€m) on 31 December	86.52	77.81	51.26	34.99	42.43
Daily average volume of trades (€ thousands)	49.40	60.51	13.69	5.84	9.98
Average number of shares traded per day	1,234	1,777	639	364	764

(1) The tax credit is equal to 50% of the net dividend for shareholders who are natural persons resident in France.
(2) The 2003 distribution data is based on the board's proposal to the general meeting of shareholders.
(3) The total yield on the share in 2003 has been calculated on the basis of its price on 31 December 2003.
(4) Ratio of market capitalization to net income (price-earnings ratio).

Dividends

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

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

General information – stock market data

SUMMARY OF TRANSACTIONS OVER THE LAST EIGHTEEN MONTHS

The TOUAX share is listed on the Second Marché of the Paris stock exchange, in the NextPrime segment of Euronext. ISIN code: FR0000033003 – Reuters TETR. PA – Bloomberg TOUPFP equity.

(en euro)	Highest share price	Lowest share price	Last share price	Number of shares traded	Value of shares traded (€000s)
October 2002	15	12.5	13.39	6,593	87.65
November 2002	14	12.5	13.22	8,453	111.29
December 2002	13.2	11	12.33	18,875	233.74
January 2003	12.39	10.8	11.8	4,543	53.67
February 2003	11.8	10.26	11.4	3,449	37.94
March 2003	11.3	9.8	10.2	5,497	57.22
April 2003	11.5	10	11.5	31,287	332.21
May 2003	12.1	11	12.1	12,825	150.68
June 2003	13.75	12	13.3	18,084	227.26
July 2003	14.3	12	12.75	10,799	141.19
August 2003	14	12	13.84	19,500	259.22
September 2003	14.2	12.37	13.05	27,264	373.07
October 2003	16.05	13.05	16.05	25,003	354.41
November 2003	16.75	15.5	16.25	14,821	241.91
Eécember 2003	16.2	14.55	14.95	13,322	206.48
January 2004	15.95	14.55	15.1	18,685	283.41
February 2004	18	15.19	17.4	20,228	333.17
March 2004	18.2	17.56	17.99	20,553	361.26

Source: EURONEXT

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

No category of share capital is without ownership. There is no auto control (Touax SA shares are hold by its subsidiaries). The shares owned by Touax SA are non significant (*cf.* paragraph own shares held).

As at 31 December 2003	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,485	830,970	14.64	20.51
Fabrice COLONNA WALEWSKI	410,526	804,616	14.46	19.86
Raphaël COLONNA WALEWSKI	406,985	801,076	14.34	19.78
ALMAFIN	175,999	175,999	6.20	4.34
Public	1,429,132	1,438,276	50.35	35.50
TOTAL	**2,838,127**	**4,050,937**	**100.00**	**100.00**

As at 31 December 2002	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,478	830,956	14,64	20,51
Fabrice COLONNA WALEWSKI	410,526	804,616	14,46	19,86
Raphaël COLONNA WALEWSKI	406,985	801,076	14,34	19,77
ALMAFIN	175,999	175,999	6,20	4,34
Public	1,429,139	1,438,577	50,36	35,51
TOTAL	**2,838,127**	**4,051,224**	**100,00**	**100,00**

As at 31 December 2001	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,478	830,956	14.64	20.51
Fabrice COLONNA WALEWSKI	410,526	804,616	14.46	19.86
Raphaël COLONNA WALEWSKI	406,985	801,076	14.34	19.77
ALMAFIN	146,666	146,666	5.17	3.62
Public	1,458,472	1,468,022	51.38	36.23
TOTAL	**2,838,127**	**4,051,336**	**100.00**	**100.00**

Bearer shareholders holding more than 5% of the capital

On 2 September 2002 the mutual fund SG France Opportunités informed the Board of Directors that it had exceeded the threshold of 5% of the capital. As the shares had not been registered as at 31 December 2003, the size of the holding of SG France Opportunités is unknown. As far as the company is aware, only the above-named shareholders hold, directly or indirectly, solely or collectively, more than 5% of the capital or voting rights.

Double voting rights

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

Limitation of voting rights

The company's shares carry no limitation on voting rights, other than in cases laid down by law.

Employee share scheme

TOUAX SA has not established an employee share scheme.

Breakdown of shares

As at 31 December 2003, 52% of shares in TOUAX SA were registered. The remainder were bearer. 43% of registered shares are held by non-French residents.

Number of shareholders

The company does not regularly request a report on identifiable bearer shares and therefore does not know the exact number of shareholders. The most recent such report was produced in September 1999, at which time there were 919 shareholders. At the last meeting of shareholders (26 June 2003), 13 shareholders were present and the Chairman of the Board of Directors received six proxies.

Sundry matters – shareholder agreements

To the company's knowledge there are no shareholder agreements, the company's shares have not been used as collateral and there are no arrangements for joint action between individual shareholders.
There is no other form of potential share capital other than that described under "Corporate governance" – stock options and equity warrants.

Own shares held

As at 31 December 2003, the company held 2,332 of its own shares. These shares were acquired as part of the buyback program approved by the COB on 18 November 2003 (no. 03-1 019) in order to:

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

The transactions are summarized in the table below:

Declaration by TOUAX SA of dealings in its own shares between 1 October 2003 and 31 March 2004	
Percentage of own capital held directly or indirectly	0.07%
Number of shares withdrawn during past 24 months:	0
Number of shares held in portfolio:	2,000
Book value of portfolio:	31,546.25
Market value of portfolio:	35,960.00

The only adjustment of the company stock market price has been through a systematic intervention in order to provide liquidity.

General information – stock market data

Portfolio management – pure registered and administered share accounts

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

Liquidity agreement

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

INFORMATION RELATING TO CAPITAL AS AT 31 DECEMBER 2003

Date	Capital	Issue premium	Accumulated number of shares	Par value	Nature of transactions
1976	3,121,200		62,424	FRF 50	Incorporation of reserves, free distribution of 5,675 shares, 1 new share for 10 old shares
1978	3,433,300		68,666	FRF 50	Incorporation of reserves, free distribution of 6,242 shares, 1 new share for 10 old shares
1980	4,119,950		82,399	FRF 50	Incorporation of reserves, free distribution of 13,733 shares, 1 new share for 5 old shares
1986	25,324,500		253,245	FRF 100	Incorporation of reserves, free distribution of 202,596 shares, 4 new shares for 1 share of FRF 100
1990	33,766,000		337,660	FRF 100	Incorporation of reserves, free distribution of 84,415 shares, 1 new share for 3 old shares
1992	45,021,300		450,213	FRF 100	Incorporation of reserves, free distribution of 112,553 shares, 1 new share for 3 old shares
1992	56,276,600	3,376,590	562,766	FRF 100	Issue of 112,553 shares at FRF 130, 1 new share for 3 old shares. Cash amount of increase: FRF 14,631,890
1994	68,782,400	5,627,610	687,824	FRF 100	Issue of 125,058 shares at FRF 145. 2 new shares for 9 old shares. Cash amount of increase: FRF 18,133,410
1995	103,173,600		1,031,736	FRF 100	Incorporation of reserves, free distribution of 343,912 shares, 1 new share for 2 old shares
1998	103,173,600 103,206,650		2,063,472 2,064,133	FRF 50 FRF 50	Halving of par value. Creation of 661 shares following merger with Financière Touax
1999	110,922,000	31,000,824	2,218,444	FRF 50	Issue of 154,307 shares following exercise of warrants (1 share for 5 warrants).
2000	118,255,300	28,744,171	2,365,106	FRF 50	Issue of 146,666 shares following capital increase reserved for ALMAFIN.
2001	141,906,350 22,705,016		2,838,127 2,838,127	FRF 50 € 8	Distribution of 1 free share for 5 old shares Conversion of capital into euros

No capital movements were recorded in 2002 and 2003.

Unissued authorized capital

None.

POTENTIAL CAPITAL

1. Stock options granted by TOUAX SA

	Stock option scheme 2000	Stock option scheme 2002
Date of shareholders' meeting	06.06.00	24.06.02
Date of board meeting	06.06.00	31.07.02
Number of options originally granted	16,200	11,001
– of which to members of Executive Committee	4,800	1,500
Number of beneficiaries	15	13
– of which members of Executive Committee	2	1
Start date of exercise period	06.06.00	31.07.02
Expiration date	05.06.05	30.07.06
Exercise price	€31.80 (1)	€14.34
Options exercised in 2003	0	0
– by members of the Executive Committee	0	0
Number of Executive Committee members exercising options in 2003	0	0
Options expiring in 2003	2,400	0
Number of options remaining to be exercised on 31.12.2003	13,800	11,001
– of which granted to members of Executive Committee	2,400	1,500

(1) Following the free distribution of shares in 2001, the exercise price was modified and currently stands at €26.50.

No stock options were granted or exercised by officers of the company or other person in 2003. 7,200 stock options have been granted to the 10 largest beneficiaries.

2. Equity warrants granted by TOUAX SA

	Equity warrant scheme 2000	Equity warrant scheme 2003
Date of board meeting	07.04.00	31.03.03
Date of shareholders' meeting	06.06.00	16.09.02
Number of options originally granted	13,500	11,001
– of which to company officers	13,500	11,001
Potential increase in capital	108,000	88,008
Number of beneficiaries	2	3
– of which company officers	2	3
Start date of exercise period	06.06.00	31.03.03
Expiration date	05.06.05	31.03.06
Issue price	€2.66	€0.17
Exercise price	€33.47 (1)	€12
Warrants issued on 12 June 2000 (2000 scheme)	13,500	
Warrants issued on 31 March 2003 (2003 scheme)		11,001
Number of warrants remaining to be exercised as at 31.12.03	13,500	11,001
– of which issued to company officers	13,500	11,001

(1) Following the free distribution of shares in 2001, the exercise price was modified and currently stands at €27.90.

For the 2002 financial year, the Extraordinary General Meeting of 16 September 2002 authorized the Board of Directors to issue 11,001 equity warrants.

The board meeting of 31 March 2003 has fixed the terms of the new issue. The equity warrants are granted to officers of the company (Fabrice WALEWSKI 3,667 warrants, Raphaël WALEWSKI 3,667 warrants, Alexandre WALEWSKI 3,667 warrants). The issue price is calculated according to the Black & Scholes model.

Therefore, the exercise price is equal to the lowest average of the shares market rate recorded during ten consecutive days, chosen from the previous twenty days, preceding the board meeting date, increased by 15%. The company thinks the utilization of Black & Scholes model for the calculation of issue price and the objective calculation of the exercise price should eliminate any legal risk.

Hitherto, no warrant has been utilized.

General information – stock market data

REMUNERATION OF THE OFFICERS OF THE COMPANY

The officers of the company receive no remuneration in kind. The company provides the co-chairmen with the necessary equipment in order to conduct their activity (company cars, mobile telephones, computers, etc.).
The variable remuneration of the officers of the company is defined by the Remuneration Committee in accordance with the objectives set by the committee and the results of the Group (self financing resources).

The allocation rules of director's fees are mentioned in the president report on the internal control.

The officers of the company do not receive any bonuses when they join or when they leave the company. The president and general director benefit from a retirement program (art. 82).

IN 2003

(thousands of euros)		Salaries, bonuses and all benefits in kind			
Name	**Post**	**Fixed**	**Variable**	**Attendance at meetings**	**TOTAL**
Serge Beaucamps	Director			6.2	6.2
Etienne de Bailliencourt (1)	Director			6.2	6.2
Thomas Haythe	Director			6.2	6.2
Jean-Louis Leclercq	Director			6.2	6.2
Philippe Reille	Director			6.2	6.2
Hugo Vanderpooten (ALMAFIN)	Director			4.0	4.0
Alexandre Walewski	Director		200.3	6.2	206.5
Fabrice Walewski	Chairman (Co-Chairman), Director	138.0	38.0	12.3	188.3
Florian Walewski (2)	Director			4.0	4.0
Raphaël Walewski	CEO (Co-Chairman), Director	141.6	38.0	12.3	191.9

(1) Etienne de Bailliencourt stepped down from the Board of Directors on 12 January 2004.
(2) Florian Walewski died on 14 September 2003.

IN 2002

(thousands of euros)		Salaries, bonuses and all benefits in kind			
Name	**Post**	**Fixed**	**Variable**	**Attendance at meetings**	**TOTAL**
Serge Beaucamps	Director			6.3	6.3
Etienne de Bailliencourt	Director			5.8	5.8
Thomas Haythe	Director			4.9	4.9
Jean-Louis Leclercq	Director			5.3	5.3
Philippe Reille	Director			6.3	6.3
Hugo Vanderpooten (ALMAFIN)	Director			4.9	4.9
Alexandre Walewski	Director		169.7	6.3	176.0
Fabrice Walewski	CEO (Co-Chairman), Director	127.1	34.3	12.6	174.0
Florian Walewski	Director			4.3	4.3
Raphaël Walewski	Chairman (Co-Chairman), Director	135.3	34.3	12.6	182.2

Dependency factors and risk factors

Dependency factors

The Group is not significantly dependent on any holders of patents or licenses, industrial, commercial or financial supply contracts, new manufacturing processes or new suppliers, nor on public authorities.

Risk factors

Market risk

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

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

Interest rate and exchange risks are followed by the Treasury Group department by means of the monthly reporting prepared by subsidiaries; this reporting includes loans granted by external institutions and loans closed between the subsidiaries of the Group. This information is checked, analyzed, consolidated and reported to the Board of Directors. The Treasury Group department manages and makes recommendations on the treatment of interest and exchange risks, the decisions are made by the management comittee and the board of Directors. The standard office automation tools allow to the Group to follow up, these risks on a going basis.

In addition, the off balance sheet liabilities are regularly listed, and particularly at the setting up of a new loan to ensuring the exhaustiveness of the information.

Liquidity risk

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

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

	Balance sheet amoun	Breakdown	Average rate	Proportion subject to variable rate
Short-term credit	€ 24.6 m	31%	3,06%	100%
Medium and long-term credit	€ 55.1 m	69%	4,74%	40%
TOTAL	**€ 79.7 m**	**100%**	**4,21%**	**72%**

Against this debt, the Group has €102 million of net fixed assets and €27.5 million of liquid assets and negotiable securities.

The due dates for the Group's debt are as follows:

	Total	2004	2005	2006	2007	2008	+ 5 years
Short-term credit	€ 24.6 m	€ 18.5 m		€ 6.1 m			
Medium and long-term credit	€ 55.1 m	€ 15.8 m	€ 9.4 m	€ 8.5 m	€ 6.7 m	€ 5.9 m	€ 8.8 m
TOTAL	**€ 79.7 m**	**€ 34.3 m**	**€ 9.4 m**	**€ 14.6 m**	**€ 6.7 m**	**€ 5.9 m**	**€ 8.8 m**

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

The Group's internal financing resources (i.e. its cash flow plus the proceeds of asset disposals) have amounted to an average of €31.8 million over the last three years. This covers the maximum theoretical amounts due for 2004. The Group also currently has €13.1 million of bank credit lines. Moreover, the due dates for the short-term credit are theoretical, as they assume that none of the credit lines will be renewed, which is highly improbable.

Details of the covenants are given in the notes to the consolidated financial statements. Having regard to the percentage of debts subject to covenants, the company does not consider that it is exposed to any liquidity risk with regard to the covenants (*cf.* note 19.2 of the consolidated financial statements).

Dependency factors and risk factors

Interest rate risk

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

A 1% change in short-term rates would increase the Group's total financial expenses by 15% (on the basis of the financial expenses paid in 2003). This sensitivity is due to the preponderance of variable rate debt (72% of total debt) and to the relatively low level of short-term rates.

The Group's Treasury department has entered into interest rate swaps in order to reduce this sensitivity to rises in short-term rates. This rate hedging enables the Group's sensitivity to interest rate rises to be reduced from 15% to 11% by means of four interest rate swaps: three relating to euro-denominated loans and the fourth to a debt denominated in dollars. Before these interest rate derivative products were entered into, the breakdown of the debt was 72% variable rate and 28% fixed rate; after these operations the fixed interest debt represents 43% of the total indebtedness and variable rate debt 57%.

Exchange risk

The Group's exposure to fluctuations in exchange rates principally concerns changes in the value of the US dollar. Other foreign currencies are not significant. The Group's results evolve in a positive correlation to the US dollar. In 2003, the variation in the annual average rate for the US dollar, a decline of 20%, resulted in an estimated 1% reduction in operating income.

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

At the close of 2003, the Group's balance sheet includes an estimated $21.3 million of dollar-denominated operating receivables and an estimated $34.5 million of operating payables.

The net balance of operating receivables and payables was –$13.2 million. In the event of a 1% fall in the value of the US dollar against the euro, the Group would have the advantage of a gain estimated at €132,000.

With regard to long-term assets and liabilities, the Group's policy is to match fixed assets denominated in US dollars (containers) with loans also denominated in US dollars, in order to avoid exposure to exchange risk. The Group does nevertheless have one euro-denominated loan for an underlying asset denominated in dollars. The outstanding balance of this loan was €1.1 million at the end of the period, and it generated an exchange loss of €0.2 million due to the fall in the value of the US dollar. This loss remained limited due to the fact that on 30 January 2003 the Group acquired an option to purchase euros and sell dollars in order to cover the exchange risk (at a rate of €1 = $1.0755 for an amount of €0.3 million due in June 2003 and a rate of €1 = $1.0755 for an amount of €1.1m due in December 2003).

As has already been stated, the Group has a Treasury department whose task is to monitor and manage market risks.

Equity risk

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

The Group's equity portfolio is as follows:

Market value on 31.12.2003	€ 76,000	€ 40,000

The sensitivity of the Group's profits to a 10% fall in prices is insignificant, since the equity portfolio is negligible.

Legal risk – disputes

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

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

Shipping containers

As a result of the bankruptcy of a customer in the shipping containers business, the Group had received insurance payouts ($1.4 million) as compensation for part of the loss incurred. The insurers consider that the Group has been compensated by other third parties in respect of this loss. On the basis of a subrogation clause, the insurers are demanding the repayment of the compensation received. The group is contesting this demand. The compensation received from other third parties covers risks which were not covered by the insurer. This compensation cannot therefore be taken into account in the subrogation clause. Furthermore, a precise breakdown submitted to the insurers shows that the insurance payouts and the compensation sums paid by other third parties do not cover all of the claims. The Group therefore believes that no positive balance is available for redistribution. Consequently, no provision has been entered in the Group's financial statements. Legal proceedings have been instituted by the insurers and their lawyers. The first-instance proceedings are not waited before 2005.

Modular buildings

Modular buildings are subject to local and European health and safety standards. Changes in these standards would result in upgrading costs payable by the Group. However, such costs would have to be borne by all of the lessors in the modular buildings sector and would enable leasing rates to be partially revised.

It should be noted that there is currently no litigation with serious potential financial consequences for the leasing or sale of modular buildings.

River barges

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

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

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

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

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

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

Railcars

There are currently no known disputes affecting the railcars business.

Industrial and environmental risks

Economic risk

Shipping containers

The shipping container leasing market is very competitive, with a large number of leasing companies, manufacturing plants, financing organizations, etc. The economic risk concerns the risk of losing customers due to a lack of competitiveness. On the basis of the quality of its customer base (specifically 22 of the top 25 international shipping operators), the TOUAX Group considers that it provides high quality services at competitive prices and that it therefore has significant strengths with which to confront the competition.

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

Modular buildings

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

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

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

The industrial market is closely linked to levels of investment. The demand for modular buildings is correlated to the cost and availability of office space and hence to the employment situation. The low cost

Dependency factors and risk factors

of modular buildings compared to the costs of standard buildings means that growth in demand can be expected in the same way as for local and regional authorities.

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

Railcars

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

Geopolitical risk

Shipping containers

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

River barges

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

Railcars

Rail freight transport has declined in the Channel Tunnel due to problems of illegal immigration. However, the risk to the Group of losing customer contracts (due to customers preferring to use other means of transport) is limited, as the Group has invested in assets which can be conveyed by sea (ferry railcars). Moreover, this risk only concerns the part of the TOUAX-managed railcar fleet allocated to cross-Channel traffic. Only 3.5% of the fleet was allocated to this type of traffic in the first quarter of 2004.

Political risk

River barges

One of the main cargoes transported by river within Europe is coal. Coal transport is linked to the energy policies of the countries using river transport. A European country which changes its choices of energy supply by markedly reducing thermal energy in favor of other forms, such as nuclear, hydro, wind energy or any other form, could lead to overcapacities in river transport and therefore trigger a significant fall in freight volumes.

Railcars

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

Environmental risk

Shipping containers

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

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

Management risk

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

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

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

Supply risk

Modular buildings

The Group may be liable if a subcontractor defaults, up to the limit of the insurance cover. To date, the Group has not been held liable to any significant extent in such cases.

River barges

The fuel oil market may affect the competitiveness of river transport, either as a result of a shortage or as a result of an increase in the price of oil. The Group does not use any hedging instrument to cover changes in the oil price. As far as possible, the Group passes on oil price rises in its freight rates. Some contracts also include indexation clauses referring to changes in the price of refined products.

Climatic risk

River barges

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

Poor climatic conditions can also have an impact on the grain harvests in a country or region. The impact can be qualitative or quantitative, or even both. Poor quality grain or a fall in production volume will weaken export sales, leading to a fall in freight levels. This risk is limited as a result of the Group's diversified geographical presence.

Railcars

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

Dependence risk

Business sectors are separate, customers and suppliers of each business are separate. The activities use materials with low technology which could easily be replaced. Suppliers and customers contribution to the Group revenues and expenses is limited. Therefore, the Group does not consider being significantly dependent on a customer or a supplier.

Risk of positioning and loss of containers

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

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

Railcar subcontracting risk

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

Insurance – coverage of risks

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

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

The operating losses which occur following losses or deterioration of tangible assets are covered by the tangible asset insurance.

There is no captive insurance company.
The public liability insurance of the parent company, TOUAX SA, covers material damage arising from its operations. The amount insured is €7.6 million. The Group subsidiaries each have their own public liability insurance. The public liability insurance premium amounts to €13,000.

The public liability insurance for company officers covers the Group's managers (whether they are company officers or not) incurring liability for a professional fault committed within their directorial, managerial or supervisory activity, carried on with or without a mandate or power of attorney. The amount insured is €16 million. The premium for the public liability insurance of the company officers amounts to €15,000.

The Shipping Containers business has public liability insurance cover of $7.5 million. The equipment is insured directly by the customers and depots, in accordance with industry practice. The insurance premium for the

Dependency factors and risk factors

civil liability of the shipping containers business amounts to around $60,000.

The modular buildings insurance guarantees its equipment generally, and in particular while it is on lease and where the customer has omitted to effect insurance for the term of the lease. This insurance covers in particular the risks of explosion, fire, hurricane, storm, collision, water damage, falls, theft and personal injury. The sum insured varies depending on the risk covered and at a maximum of €3.7 million. The insurance premium for the shipping containers business amounts to around €460,000.

The river barges insurance covers damage, loss, third-party recoveries and expenses resulting from any accident of navigation, explosion, fire or any instance of force majeure, specifically damage resulting from malfunctions of the propulsion or steering systems, mechanical breakdown, electrical damage, waterways, damage arising from poor stowage or loading, mooring risks, damage to structures, pollution risks, investigation costs, surveys, proceedings and legal fees. The insurance includes contractual public liability in respect of leased barges owned by third parties, cover for carrier's liability as defined by laws and regulations and cover for goods carried. The nature of the cover and sums insured depends on the vessel and areas of operation. The sum insured is generally equivalent to the replacement value of the equipment and amounts to a maximum of €14.6 million. It should be noted, moreover, that war risks are covered in the case of vessels operating on the Danube. The insurance premium for the river barges business amounts to around €580,000.

The railcars business has public liability cover totaling €7.6 million. The equipment is insured directly by the customers and depots in accordance with industry practice. The civil liability insurance premium for the railcars business amounts to around €50,000.

Social and environmental information

Social policy

The group has implemented three types of social measure in order to fulfill the requirements arising from its development.

A pragmatic, day-to-day social dialogue with all stakeholders allows:

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

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

This dialogue takes place in respect for the rights of each of the parties concerned and in a spirit of openness and transparency. The decisions and actions resulting from this continuing dialogue are applied ethically. This approach underpins the success of all the actions undertaken by the Group in the human resources area. The development of skills and internal mobility has become one of the pivotal features of human resource management. The skill development strategy takes into account the individual expectations of employees, their initial skills and the current and future requirements of the Group.

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

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

This policy plays a role in improving the motivation of all the employees and is rooted in the corporate culture of TOUAX.

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

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

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

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

Environmental policy

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

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

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

Rigorous land management

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

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

Social and environmental information

Identification and control of the substances used

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

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

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

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

Optimization of transport vehicles

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

This is achieved by means of the following:

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

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

Shipping containers

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	40,637	39,964	39,220
Sales of equipment	49,395	26,200	5,830
Commissions	58	92	190
Net revenue of pools	38	22	3,705
TOTAL OPERATING REVENUES	**90,127**	**66,278**	**48,945**
Cost of sales (1)	(46,940)	(24,636)	(5,082)
Operating expenses	(10,097)	(9,463)	(14,542)
Selling, general and administrative costs	(2,915)	(3,192)	(3,113)
Capital gains on disposals	(158)	(14)	1,150
EBITDA (2)	30,017	28,973	27,358
Depreciation and amortization	(1,186)	(3,093)	(2,203)
OPERATING INCOME	**28,831**	**25,880**	**25,155**
Distributions to investors	(25,867)	(22,715)	(20,790)
Net operating income	2,964	3,165	4,365

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

(Consolidated figures, thousands of euros)	2003	2002
EBITDA (2) after distributions to investors	4,150	6,257
Gross fixed assets	26,979	33,741
Return on fixed assets (ROFA) (4)	15%	19%

(4) ROFA : Return on fixed assets.

Original currency

US$ (100%).

Trends in the world market

In the last twenty years, global economic growth has boosted the volume of trade, with direct repercussions on the demand for shipping containers and on the Group's shipping container leasing business. The growth in demand for shipping containers is also a function of the development of containerized traffic and the available freight capacity.

In 2003, international trade grew by 4.5%, after a 2.5% increase in 2002 and a fall of 1% in 2001 (source: WTO). The net change in containerized traffic and available freight capacity was positive in 2003. This reflects the excess of demand over supply, which stimulates growth in the shipping container leasing market.

Competition

Through its subsidiary GOLD CONTAINER Corporation, the Group is the tenth-largest lessor worldwide, behind operators such as GeSeaco, Transamerica, Textainer and Triton, and is the second-largest lessor in mainland Europe (source: Containerisation International; Container Leasing Market 2003).

Customers and suppliers

The Group is established in 37 countries (offices, agents, depots). In 2003, GOLD CONTAINER Corporation had 22 of the world's 25 largest shipowners among its customers. In total, almost 120 customers use its services, including names such as Maersk, ZIM, P&O Nedlloyd, China Shipping, etc.

Main customers (leasing)	Share of total turnover
AP Möller – Maersk A/S	24.34%
ZIM Israel Navigation	9.41%
P&O Nedlloyd	7.90%
Mediterranean shipping company	6.73%
French armed forces	5.02%

Main customers (leasing)	Share of total turnover
CIMC Group, CXIC Group, Singamas Group (Asia)	Manufacturing plant
Columbia Container Service (USA), Container Care Intl (USA), Eng Kong Marketing Services (Asia), Fast Lane Transportation (USA), Global Intermodal System (USA)	Storage, Handling, Repairs
PWCS (Europe)	Surveys

Shipping containers

Background

The group's presence in this market was initially limited to its role as an investor, with operational management being subcontracted to external lessors. In 1987, the group acquired the leasing company GOLD CONTAINER Corporation and became an operational lessor of dry cargo containers.

2003

At the end of 2003, the shipping containers sale and leasing business accounted for 54% of the Group's revenues. At that date, the fleet represented 199,665 TEU (twenty foot equivalent units), an increase of 20% compared to 2002. It included 142,134 twenty-foot and forty-foot containers of the dry, open-top, flat, high-cube and reefer types.

2003 saw an increase in leasing revenues in spite of the significant fall in the value of the dollar and a marked rise in sales. These sales related to the conclusion of new management programs. The annual average utilization rate in 2003 was 88.3%, with a peak of 90.7% in December. Long-term lease contracts (3 to 5 years) represent around 80% of the customer portfolio at the end of 2003.

Financing of the managed fleet

To finance its fleet of containers, the group relies mainly on outside investors on the basis of management programs or asset-backed securitization.

The containers are sold to investors and their management is contracted to GOLD CONTAINER Corporation, which leases them out under operating contracts. Equipment is pool-managed. In return, the Group receives a management fee and, in the case of certain programs, incentive management fees which can amount to 25% of the leasing revenue.

Net revenues generated are paid to investors in proportion to their investment in the pool.

Breakdown of the fleet by owner

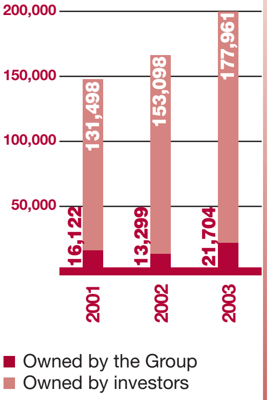
The fleet is made up as follows:

- Wholly owned: 21,704 TEU
- Owned by investors through securitization programs: 59,505 TEU
- Owned by investors through management programs: 106,204 TEU
- Leased: 12,252 TEU

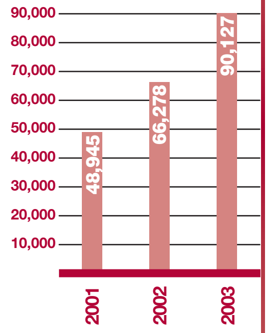
Outlook for shipping containers in 2004

Leasing will benefit from growth of sea transportation in 2004. The Clarkson Research study in March 2004 shows demand (growth in container traffic) outstripping supply (growth in the container-carrier fleet):

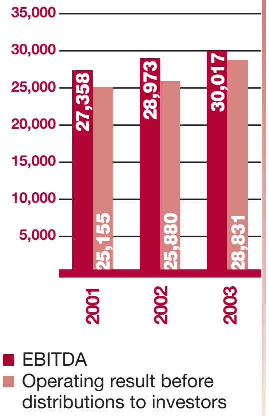
Fleet of containers managed by the Group
(199,665 TEU as at 1.12.2003)



Revenues from shipping containers
(in thousands of euros)



Revenues from shipping containers
(in thousands of euros)



	1999	2000	2001	2002	2003	2004 forecast	2005 forecast
Container traffic	10%	11%	2%	10%	10%	9%	9%
Container-carrier fleet	4%	8%	7%	8%	7%	8%	8%
Balance	**6%**	**3%**	**– 5%**	**2%**	**3%**	**1%**	**1%**

In the medium term, the Group aims to increase its fleet to 250,000 TEU and thus secure a 3.5% share of the world market and a 10% share of the new equipment for the leasing market. In order to achieve this objective, GOLD CONTAINER Corporation is continuing to develop its long-term lease contracts and sales of used secondhand containers, in order to maintain a young fleet in good condition.

According to the market research publication "Containerisation International Market Analysis", the world container fleet grew annually by 8-9% in 2002 and 2003. International trade flows are increasingly being conveyed in shipping containers, and the geographical trade imbalance (particularly in favor of China) calls for the supply of additional containers.

Containerized transport continues to offer major advantages: cost, safety, standardization. Leasing of shipping containers also provides the flexibility shipowners require in order to optimize their fleet management and helps to finance almost 50% of world container production, according to the 2003 publications of "Containerisation International".

Modular buildings

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma [3]
Lease revenues	32,860	36,537	36,768
Sales of equipment	7,490	8,301	8,837
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**40,350**	**44,838**	**45,605**
Cost of sales [1]	(6,684)	(6,969)	(7,646)
Operating expenses	(17,898)	(19,647)	(19,706)
Selling, general and administrative costs	(6,260)	(5,979)	(4,854)
Capital gains on disposals	2,060	499	122
EBITDA [2]	11,569	12,742	13,521
Depreciation and amortization	(4,234)	(4,595)	(4,156)
OPERATING INCOME	**7,335**	**8,147**	**9,365**
Distributions to investors	(3,633)	(3,365)	(3,816)
Net operating income	3,702	4,782	5,549

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

(Consolidated figures, thousands of euros)	2003	2002
EBITDA [2] after distributions to investors	7,936	9,378
Gross fixed assets	66,709	73,059
Return on fixed assets (ROFA) [4]	12%	13%

(4) ROFA : Return on fixed assets.

Original currencies

EUR in the European Union (87%), US$ in the United States (10%), PLN in Poland (3%).

Trends in the world market

The modular buildings leasing market is mainly in Europe (450,000 units – source: TOUAX) and in the USA (450,000 units – source: Modular Building Institute).

Modular buildings were initially used only by companies in the building and public works sector, for offices, canteens, sanitary installations, etc.

Today, thanks to the development of more modular and esthetically pleasing equipment, the market has expanded to include industrial companies and local authorities. Modular buildings now provide offices, classrooms, crèches, health centers, laboratories, etc.

Modular buildings have the following advantages:
- relatively low cost (from €200 per m2),
- rapid provision of working space,
- great flexibility, due to modular design and the possibility for customers to lease rather than incur capital expenditure.

The Group offers leasing and purchase solutions, as well as leases with options to purchase, lease-purchase and fleet financing solutions. The Group is also developing the leasing and sale of storage containers. The Group subcontracts the production of its modular buildings to a range of manufacturers in Europe and the United States.

The competition (source: TOUAX)

The Group, the third lessor in Europe, has a market share of 4.5% (leasing business only), behind GE CAPITAL and ALGECO.

The Group is the fourth-largest worldwide, after GE CAPITAL (120,000 units), ALGECO (105,000 units – source ALGECO) and WILLIAMS SCOTSMAN (90,000 units).

Customers and suppliers

The Group's business is expanding mainly with industrial, local authority and building/public works customers. Its customers include regional authorities and major industrial names such as Renault, Siemens, Bouygues, Merck and Total.

Modular buildings

Country	Main customers	Share of lease revenue
France	Region of Upper Normandy	7%
	Conseil général of the Moselle département	3%
	Conseil général of the Ain département	3%
United States	Hubbard Construction	2%
	Vanguard Modular Building	2%
	Mes Construction	2%
Germany	Staatliches Baumanagement	23%
	Herba Bachleitner GmbH	9%
	Essener Hochdruck	2%
Spain	FCC Construcción	5%
	Insalud Zone 11	5%
	Insalud Zone 2	4%
Poland	Budimex Dromex	11%
	Hochtief	11%
	Warbud SA	6%

Main suppliers (excluding fixed assets)	Services
Jipe SA, Bodard	Manufacturing plant
Cemma, CMO	Subcontracting personnel
Transports Viltard Diligence, Transports Mauffrey SA	Transport

2003

At the end of 2003, the Group managed a fleet of 19,443 units of modular buildings and storage containers (including 9,502 on behalf of investors). These units are spread over France, Germany, the Netherlands, Belgium, Spain, Poland and the United States. Revenues from the modular buildings business totaled €40.4 million in 2003, down 10% compared to 2002 as a result of the decline in the market (low level of capital expenditure and fall in prices). The average utilization rate was 75% in 2003, compared to 77.5% in 2002. Leasing and sale of modular buildings is the Group's second-largest business (24% of operating revenues).

MODULAR BUILDINGS FRANCE

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	18,378	20,205	20,083
Sales of equipment	3,482	4,617	4,407
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**21,859**	**24,822**	**24,490**
Cost of sales (1)	(3,550)	(3,917)	(3,675)
Operating expenses	(11,783)	(11,946)	(10,982)
Selling, general and administrative costs	(2,092)	(1,373)	(935)
Capital gains on disposals	2,014	429	(27)
EBITDA (2)	6,448	8,015	8,871
Depreciation and amortization	(2,115)	(2,508)	(2,092)
OPERATING INCOME	**4,333**	**5,507**	**6,779**
Distributions to investors	(2,457)	(1,975)	(2,207)
Net operating income	1,876	3,532	4,572

(1) Cost of sales: purchase price plus transport and brokerage cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

With 10,828 units in its operational leasing fleet at the end of 2003 (+1% compared to 2002), the Group has a market share of 10% in France, coming second only to the ALGECO group (60,000 units) (source: TOUAX). The Group offers its services throughout France, mainly in the following regions: Aquitaine, Champagne – Ardennes, Paris region, Provence-Alpes-Côte d'Azur, Pays de la Loire, Nord-Pas-de-Calais, Normandy, Rhône-Alpes.

In France, 2003 was marked by a difficult trading environment, near-zero growth and low capital expenditure. The deterioration of the modular buildings market pushed leasing rates lower. Revenues fell by 12% in 2003. The average annual utilization rate stood at 76%.

MODULAR BUILDINGS GERMANY

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	4,931	5,359	6,085
Sales of equipment	1,299	1,872	2,354
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**6,230**	**7,231**	**8,439**
Cost of sales (1)	(1,047)	(1,668)	(2,201)
Operating expenses	(1,432)	(1,599)	(3,768)
Selling, general and administrative costs	(1,812)	(2,135)	(546)
Capital gains on disposals	50	13	129
EBITDA (2)	1,988	1,842	2,053
Depreciation and amortization	(757)	(809)	(856)
OPERATING INCOME	**1,231**	**1,033**	**1,197**
Distributions to investors	(642)	(710)	(791)
Net operating income	589	323	406

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

With 2,713 units at the end of 2003, the Group ranks seventh in Germany with a market share of around 2% (the total fleet in Germany is estimated at around 140,000 units – source: TOUAX). The three main lessors in Germany are GE CAPITAL (40,000 units), ALGECO (20,000 units) and ELA (10,000 units) (source: TOUAX). With its subsidiary Seiko Containerhandel GmbH, TOUAX operates mainly in the north, east and west of Germany in the urban centers of Hamburg/Kiel, Rostock, Berlin, Leipzig and Frankfurt.

The German market continued to deteriorate in 2003, with a decline in capital expenditure and a flat building market. This deterioration led to a decrease in rates. The revenues generated by Siko Containerhandel GmbH, a subsidiary of TOUAX, totaled €6.2 million, a decrease of 14% compared to 2002. Operating income nevertheless rose by 19% thanks to effective cost control. The annual average utilization rate was 79% in 2003.

Modular buildings

MODULAR BUILDINGS BENELUX

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	3,261	3,965	4,267
Sales of equipment	2,000	836	1,349
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**5,261**	**4,801**	**5,616**
Cost of sales (1)	(1,507)	(611)	(1,349)
Operating expenses	(2,000)	(2,220)	(2,578)
Selling, general and administrative costs	(451)	(393)	(1,071)
Capital gains on disposals	1	0	2
EBITDA (2)	1,304	1,577	620
Depreciation and amortization	(712)	(773)	(709)
OPERATING INCOME	**592**	**804**	**(89)**
Distributions to investors	0	0	0
Net operating income	592	804	(89)

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

TOUAX began its leasing and sale of modular buildings with the "TOUAX Cabin" brand in the Netherlands in 1997 and in Belgium in 2000.

At the end of 2003, TOUAX had a fleet of 1,882 units (a rise of 2% compared to 2002) and was one of the ten largest lessors, with a market share of 5%. The total fleet in the Benelux countries is estimated at 35,000 units (source: TOUAX).

The other main lessors (source: TOUAX) are GE CAPITAL (8,000 units), De Meeuw (8,000 units), Fort Bouw (4,000 units), Buko (4,000 units) and Portakabin (3,000 units) (source: TOUAX).

The Benelux market accounts for an important share of the European leasing market due to its high concentration of industrial sites, particularly in the petrochemicals industry, and the importance of the ports of Rotterdam and Antwerp.

The overall rise of 10% in the Group's revenues in the Benelux countries is explained by the increase in sales of equipment offset by a decline in lease revenues. The annual average utilization rate was 70% in 2003. The Benelux market is subject to the same constraints as the French and German markets, with near-zero growth and weak capital expenditure. TOUAX generates all of its sales with industrial operators and local authorities.

MODULAR BUILDINGS SPAIN

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	1,467	1,489	1,041
Sales of equipment	379	545	410
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**1,846**	**2,034**	**1,451**
Cost of sales (1)	(294)	(413)	(161)
Operating expenses	(730)	(815)	(366)
Selling, general and administrative costs	(70)	(147)	(265)
Capital gains on disposals	0	0	0
EBITDA (2)	753	659	659
Depreciation and amortization	(226)	(197)	(124)
OPERATING INCOME	**527**	**462**	**535**
Distributions to investors	0	0	0
Net operating income	527	462	535

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

The Group has developed its modular buildings leasing and sale business in Spain since 1999, mainly in the Central region (Madrid) and in Catalonia (Barcelona).

At the end of 2003 the fleet amounted to 810 units (a rise of 9% compared to 2002), with an annual average utilization rate of 77%.

The total leasing fleet in Spain is estimated at 30,000 units; the main operator is the ALGECO group, which has almost 50% of the market (17,000 units; source: TOUAX). TOUAX has a 3% market share.

Business in the building and public works sector has been buoyant, and growth remains high even though it has slowed compared to recent years. The Group is also establishing itself successfully in the industrial and local authority sectors. Revenues fell 10% as a result of lower sales, but operating income rose by 14% thanks to effective cost control.

MODULAR BUILDINGS POLAND

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	966	805	
Sales of equipment	131	34	
Commissions	0	0	
Net revenue of pools	0	0	
TOTAL OPERATING REVENUES	**1,097**	**839**	**0**
Cost of sales (1)	(111)	(28)	
Operating expenses	(523)	(940)	
Selling, general and administrative costs	(56)	0	
Capital gains on disposals	1	3	
EBITDA (2)	407	(126)	0
Depreciation and amortization	(208)	(153)	
OPERATING INCOME	**199**	**(279)**	**0**
Distributions to investors	0	0	
Net operating income	199	(279)	0

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

The operations in Poland were consolidated for the first time in 2002. This business began in 2000, and has grown substantially since then. A fleet of 805 units was under management at the end of 2003. TOUAX's business is benefiting from growth in the Polish market, particularly in the construction sector.

MODULAR BUILDINGS UNITED STATES

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	3,857	4,714	5,292
Sales of equipment	199	397	317
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**4,056**	**5,111**	**5,609**
Cost of sales (1)	(176)	(332)	(260)
Operating expenses	(1,430)	(2,127)	(2,012)
Selling, general and administrative costs	(1,778)	(1,931)	(2,037)
Capital gains on disposals	(5)	54	18
EBITDA (2)	668	775	1,318
Depreciation and amortization	(216)	(155)	(375)
OPERATING INCOME	**452**	**620**	**943**
Distributions to investors	(533)	(680)	(818)
Net operating income	(81)	(60)	125

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

Modular buildings

In the United States, the Group operated a fleet of 2,405 units in Florida and Georgia at the end of 2003 under the "Workspace +" brand.

The total US fleet is estimated at around 450,000 units, including 25,000 units in Florida (source: Modular Building Institute). TOUAX has a market share of almost 10% in Florida and ranks third in this State, its main competitors being WILLIAMS SCOTSMAN (8,500 units) and GE CAPITAL (6,000 units) (source: TOUAX).

In the United States as a whole, only three companies have more than 10,000 units: WILLIAMS SCOTSMAN, GE CAPITAL Modular Space and MCGRATH (source: TOUAX).

The Group's business is mainly concentrated in the construction industry. Just one-quarter of turnover is with the industrial or local authority sectors. The construction industry in Florida and Georgia remained weak in 2003. Leasing rates have been declining for several years. Turnover was €4 million, down 21% compared to 2002. The annual average utilization rate was 65% in 2003, up slightly compared to 2002.

Outlook for modular buildings in 2004

In France

2003 was once again marked by a decline in demand and in lease rates. The market is expected to be more stable in 2004, subject to a favorable trend in prices. The group will continue its development efforts towards trading and long-term contracts with the industrial sector and local authorities, which still offer strong potential.

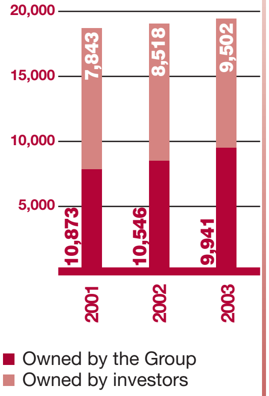
In Germany

The German economy is expected to improve slightly in 2004. As in the case of France, the priority remains focusing leasing activity on long-term contracts with industrial and local authority operators. Ultimately, the German market remains the largest in Europe and is still very attractive.

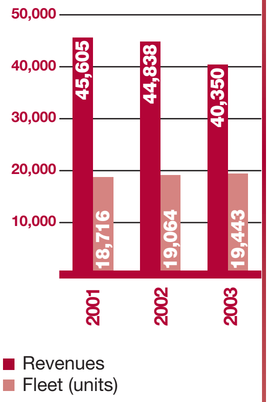
In the Benelux countries (the Netherlands and Belgium)

2004 should see a slight recovery after some difficult years. The group will continue its commercial efforts in the area of long-term lease contracts and trading. The cost reduction program should bear fruit and allow an increase in earnings.

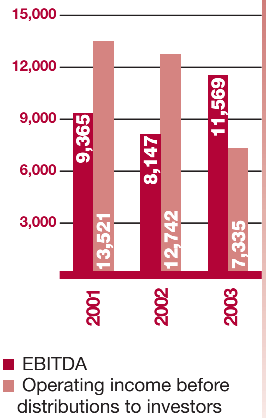
Fleet of modular buildings managed by the Group
(19,443 as at 31.12.2003)



Fleet of modular buildings managed by the Group
(19,443 as at 31.12.2003)



EBITDA and operating income
(in thousands of euros)



In Spain

Spain may see a slowdown in growth in 2004. Nevertheless, the group remains confident that its business will continue to grow with industrial and local authority operators, who are gradually discovering the advantages of modular buildings.

In Poland

The Group is confident with regard to 2004, on the basis of sustained demand in the building and public works sector and, more recently, in the industrial sector. EU accession should also benefit growth in Poland as a whole and consequently in the Group's activities in the country.

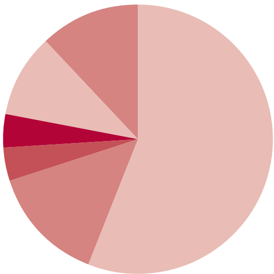
In the United States

The economy appears to be improving in Florida and Georgia. Lease rates and utilization rates are expected to recover this year, paving the way for a substantial rise in earnings.

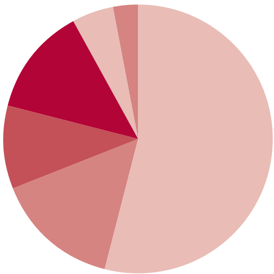
Conclusion

The Group expects to consolidate its activities in the leasing and sale of modular structures, provided lease rates remain stable and the contributions of the new management programs for investors continue at the same level. Investments will only continue on the basis of a marked recovery in utilization rates.

In the medium term, the Group intends to significantly expand its presence in Europe and the south-east of the United States by concluding long-term contracts in the industrial sector and with local authorities, and through the development of trading. The Group's ambition is to achieve a 10% market share in Europe within five years (5% in 2003).



Fleet of modular buildings by country **(total: 19,443 units)**



Revenues from modular buildings by country
(total: €40.35 million)

River barges

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	28,934	31,441	31,847
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	1,313	1,739	2,051
TOTAL OPERATING REVENUE	**30,247**	**33,180**	**33,898**
Cost of sales (1)	0	0	0
Operating expenses	(25,431)	(28,830)	(29,313)
Selling, general and administrative costs	(2,321)	(2,448)	(2,331)
Capital gains on disposals	109	1,767	2,212
EBITDA (2)	2,604	3,669	4,466
Depreciation and amortization	(2,400)	(1,743)	(2,229)
OPERATING INCOME	**204**	**1,926**	**2,237**
Distributions to investors	(697)	(615)	(628)
Net operating income	(492)	1,311	1,609

(1) Cost of sales: purchase price plus transport and broking cost
(2) EBITDA: earnings before interest, tax, depreciation and amortization
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA

(Consolidated figures, thousands of euros)	2003	2002
EBITDA (2) after distributions to investors	1,907	3,054
Gross fixed assets	33,857	32,998
Return on fixed assets (ROFA) (4)	6%	9%

(4) ROFA: Return on fixed assets

Original currencies

River barges: US$ in the United States, in South America and in Romania (15.5%), EUR in Europe (84.5%)

Trends in the world market

River transportation is the cheapest means of inland transport, and the most environmentally friendly. The Group operates in this sector in Europe and the United States, and at the end of 2003 had barges in the Garonne, Rhone, Seine, Rhine, Danube and Mississippi river basins. The Group's activities are as follows:

- transport of dry bulk goods (coal, ores, grain, fertilizer, cement, etc.),
- leasing of barges, waterborne storage,
- chartering of self-propelled barges and river barges.

The competition (source: TOUAX)

Touax is currently the only group operating river barges both in Europe (on the Seine, Rhone, Garonne, Rhine and Danube) and in the United States (on the Mississippi).

It is the leader in Europe for dry bulk barges.

Its main competitor, ACL, is a river transport operator in the United States and South America with a fleet of approximately 4,000 barges.

Customers and suppliers

River basins – Countries	Main customers
Seine, Rhone, Garonne – France	CFT, Morillion
Danube – Romania	Easy Shipping
Mississipi – USA	R.Miller and Olympic Marine
Rhine – Netherlands and Germany	PSA, Electric power stations

Services of the main suppliers
Fuel oil distributors
Various repair and maintenance shipyards
Various handlers and ferries

2003

River traffic accounted for 18% of the Group's operating revenue and 6% of the total margin generated by its activities.

At the end of 2003, the Group was managing a total fleet of 201 river units (representing a total capacity of 463,000 tonnes), more than 87% of which were based outside France.

In addition there were approximately 150 self-propelled barges chartered by our Dutch subsidiary CS DE JONGE BV.

The Group's barges operate principally under the TAF and EUROTAF trade names.

River barges

RIVER BARGES FRANCE

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	1,577	1,327	2,575
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUES	**1,577**	**1,327**	**2,575**
Cost of sales (1)	0	0	0
Operating expenses	(634)	(405)	(2,003)
Selling, general and administrative costs	(389)	(321)	(440)
Capital gains on disposals	6	0	1,979
EBITDA (2)	561	601	2,111
Depreciation and amortization	(621)	(470)	(862)
OPERATING INCOME	**(60)**	**131**	**1,249**
Distributions to investors	0	0	0
Net operating income	(60)	131	1,249

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

According to figures published by VNF (Voies Navigables de France), River traffic remained stable in 2003 (–1.4% compared to 2002), totaling 6.9 billion kilometer tonnes. 2003 was marked by growth in domestic volumes (+3%) and a fall in international volumes (–5.6%) resulting mainly from the drought affecting the Rhine and Moselle river systems. The sectors with the greatest increases were high added-value finished and semi-finished goods and fertilizers. The main products transported nevertheless remain building materials (sand, cement, etc.) and agricultural produce (grain).

In France, the Group is the largest lessor of barges (source: TOUAX). The main river carrier is CFT (SOGESTRAN group). The equipment used on the Garonne, Rhone and Seine comprises 26 barges and one pushboat, with a total capacity of 62,438 tonnes at the end of 2003. Most river units are leased on long-term contracts ranging from one to ten years.

Revenues in 2003 totaled €1.6 million, against €1.3 million in 2002 (a rise of 23%) following an improvement in the utilization rate.

RIVER BARGES NETHERLANDS

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	23,981	26,393	25,545
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**23,981**	**26,393**	**25,545**
Cost of sales (1)	0	0	0
Operating income	(20,528)	(23,318)	(22,652)
Selling, general and administrative costs	(1,522)	(1,558)	(1,315)
Capital gains on disposals	104	(14)	0
EBITDA (2)	2,035	1,503	1,578
Depreciation and amortization	(845)	(560)	(403)
OPERATING INCOME	**1,190**	**943**	**1,175**
Distributions to investors	(697)	(615)	(628)
Net operating income	493	328	547

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

The Rhine basin is connected to the port of Antwerp and flows into the north Sea through the port of Rotterdam. It is the waterway with the greatest potential in Europe. In this basin the Group operates through two subsidiaries in two different lines of business:

- EUROBULK Transportmaatschappij BV, one of the major operators on the Rhine, is involved in four segments: dry bulk transportation and storage on barges, leasing of barges and the chartering of self-propelled barges. The company provides a full service, handling the direct transshipment from seagoing vessels to barges, waterborne storage, transport and leasing. The main goods transported or stored are coal, phosphates, fertilizers, ores and scrap iron. They are transported to the Netherlands, Belgium and Germany. The decline in operating revenues (€15.7 million in 2003 compared to €18.8 million in 2002) is explained by the disposal of the Belgian holding Eurokor Barging BVBA at the end of the third quarter of 2003. At the end of 2003, the fleet operated by EUROBULK comprised 32 barges, 25 self-propelled barges and four pushboats, providing a total tonnage of 154,054 tonnes. In addition, CS de Jonge, a subsidiary of EUROBULK, managed around 150 self-propelled barges for chartering.
- INTERFEEDER-DUCOTRA BV operates in two different sectors: (i) interfeeding – the repositioning of shipping containers by river between Antwerp and Rotterdam (revenues in this market grew by 12.5% in 2003, amounting to €0.9 million in 2003 compared to €0.8 million in 2002) and (ii) the transport of containers on the Rhine. Working out of the Netherlands, the Group operates six self-propelled barges plying between Rotterdam and Basle, in partnership with three other operators. Revenues in 2003 amounted to €7.4 million, a rise of €1.5 million. INTERFEEDER-DUCOTRA is among the three principal river container transport operators on the Rhine (Source: TOUAX).

RIVER BARGES ROMANIA

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	3,376	3,721	2,282
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUES	**3,376**	**3,721**	**2,282**
Cost of sales (1)	0	0	0
Operating expenses	(3,013)	(3,274)	(1,680)
Selling, general and administrative costs	(347)	(282)	(310)
Capital gains on disposals	(1)	90	0
EBITDA (2)	15	255	292
Depreciation and amortization	(752)	(548)	(535)
OPERATING INCOME	**(737)**	**(293)**	**(243)**
Distributions to investors	0	0	0
Net operating income	(737)	(293)	(243)

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

The Danube has great potential in Europe for river transportation. It is connected to the Rhine and to the rest of Europe by the Rhine-Main-Danube canal and stretches over 2,500 kilometers, crossing seven countries and flowing close to five capitals (Belgrade, Bratislava, Bucharest, Budapest and Vienna).

The Group is one of the major private operators established on this market, where competition is today mainly limited to state-owned companies. The decline in revenues (–9.2%) is explained by the exceptional weather conditions (unprecedented drought) which affected navigation conditions for 173 days. In normal times extreme weather conditions (low and high water, ice) impede river traffic for a maximum of one to three months.

River barges

RIVER BARGES UNITED STATES

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	0	0	0
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	1,313	1,739	2,051
TOTAL OPERATING REVENUE	**1,313**	**1,739**	**2,051**
Cost of sales (1)	0	0	0
Operating expenses	(1,257)	(1,690)	(1,589)
Selling, general and administrative costs	(41)	(29)	(42)
Capital gains on disposals	0	(66)	(111)
EBITDA (2)	15	(46)	309
Depreciation and amortization	(181)	(165)	(209)
OPERATING INCOME	**(167)**	**(211)**	**100**
Distributions to investors	0	0	0
Operating income after distributions	(167)	(211)	100

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

With an inland waterway network of 40,000 km, the main route of which is the Mississippi (2,960 km), river transportation in the United States is the most competitive mode of inland transport. River transportation thus accounts for 25% of all bulk goods shipments in the United States (mainly coal and grain).

On 31 December 2003, the Group's fleet consisted of 65 barges providing a usable tonnage of 155,200 tonnes. The entire fleet is leased to American operators who use it to transport grain for export and fertilizer, steel and cement for import.

Operating revenues decreased by 24.5% compared to 2002, as a result of the decline in the market which impacted lease contracts. At constant exchange rates, the decrease in revenues is 9.6%.

RIVER BARGES SOUTH AMERICA

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	0	0	1,445
Sales of equipment	0	0	0
Commissions	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUES	**0**	**0**	**1,445**
Cost of sales (1)	0	0	0
Operating expenses	0	(143)	(1,390)
Selling, general and administrative costs	(22)	(258)	(223)
Capital gains on disposals	0	1,757	344
EBITDA (2)	(22)	1,356	176
Depreciation and amortization	0	0	(220)
OPERATING INCOME	**(22)**	**1,356**	**(44)**
Distributions to investors	0	0	0
Net operating income	(22)	1,356	(44)

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

The Group previously operated two river convoys (each comprising one pushboat and a dozen barges) on the Rio Parana in Paraguay.
The Group sold one of the convoys in 2001, followed by the second in 2002. The Group currently has no vessels in South America, and for the moment is no longer trading in this river system.

OUTLOOK FOR RIVER TRANSPORTATION IN 2004

In France

The Group has refocused its activities on long-term leasing, after selling its pushboats in 2001 and leasing virtually all of its barges on 10-year contracts. In the long term, the river transportation business still offers growth potential in view of European ambitions to relieve the burden on the road network and interconnect the main river systems (e.g. the Seine-Nord project) and the steady improvement in the competitiveness of French seaports, combined with a need to modernize the fleet. This potential will provide a basis for the medium-term growth of the Group.

In the Netherlands

In 2004 the market is expected to remain stable for bulk transport and to grow significantly for container traffic. River transportation on the Rhine offers long-term growth prospects due to its competitiveness and ecological advantages in comparison with road transport and the development of containerization in Europe via Rotterdam. Danube feeder traffic is growing steadily.

In Romania

The Danube was reopened to river traffic in August 2001. The previous years allowed a growth of market share and turnover, but the short-term objective is still to reach breakeven point. This should be achieved in 2004 provided climate conditions are favorable. The demand for river transport has remained strong in the first quarter of 2004.

In the United States

The forecasts for the river business are more favorable in 2004 and suggest that grain exports will be higher than in the preceding five years. The US market mostly comprises barges with a very high average age. The sharp rise in steel prices at the beginning of the year should enable operators to scrap their old barges profitably and to maximize the utilization rates of their more modern barges. The group's ambition is ultimately to play a part in the modernization of the fleet by offering long-term lease contracts.

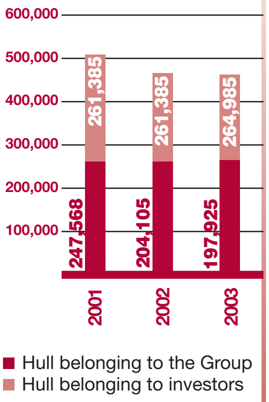
In South America

The Group does not foresee any business activity in 2004, but it maintains the ultimate objective of returning to this market with long-term lease contracts.

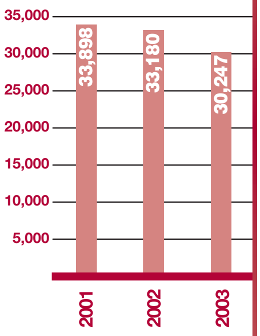
Conclusion

After several difficult years, the recovery of the river transportation business is expected to bear fruit. The main objective is to return to a normal profitability level. This should be achieved in 2004, subject to satisfactory climate conditions and to a lesser extent a favorable trend in the oil price. The outlook for earnings in the first quarter of 2004 confirms the improvement in business activity.

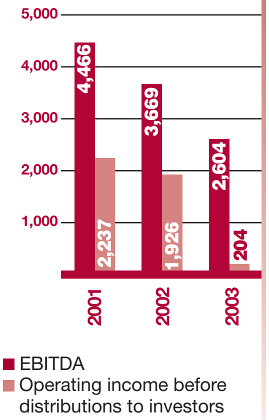
Hull managed by the Group (tonnes)

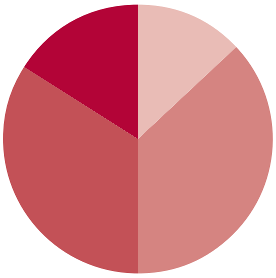


Revenues
(in thousands of euros)



EBITDA
and operating income
(in thousands of euros)





River hull by country
(Total: 462,910 tonnes)

Railcars

(Consolidated figures, thousands of euros)	2003	2002	2001 Pro forma (3)
Lease revenues	4,388	2,039	2,654
Sales of equipment	2,240	565	490
Commissions	161	452	834
Net revenue of pools	109	186	318
TOTAL OPERATING REVENUES	**6,899**	**3,242**	**4,296**
Cost of sales (1)	(2,053)	(228)	(278)
Operating expenses	(2,851)	(836)	(758)
Selling, general and administrative costs	(618)	(681)	(267)
Capital gains on disposals	473	3,862	566
EBITDA (2)	1,850	5 359	3,559
Depreciation and amortization	(152)	(169)	(492)
OPERATING INCOME	**1,698**	**5,190**	**3,067**
Distributions to investors	(684)	(879)	(600)
Net operating income	1,014	4,311	2,467

(1) Cost of sales: purchase price plus transport and broking cost.
(2) EBITDA: earnings before interest, tax, depreciation and amortization.
(3) Ordinary capital gains on disposals of equipment are now included in EBITDA.

(Consolidated figures, thousands of euros)	2003	2002
EBITDA (2) after distribution to investors	1,166	4,478
Gross fixed assets	9,791	15,799
Return on fixed assets (ROFA) (4)	12%	28%

(4) ROFA: Return on fixed assets.

Original currencies

EUR in Europe (100%).

Trend in the market

For the third year in succession, combined rail-road transport declined once again in France in 2003, falling by –5.65% to 7,246 billion transported kilometer tonnes (TKT), compared to 7,680 billion TKT in 2002, reflecting a sharp fall in overall national commercial traffic (–6.26%) with 46,696 billion TKT in 2003, against 49,816 billion TKT in 2002 (Source: Association Française des Wagons de Particuliers). This further decline is due to the economic situation but in particular the strikes in May and June in France, which alone accounted for a loss of around 3 billion TKT.

There were no significant developments in combined transport in Europe during the year.

The average age of the European fleet of privately owned railcars (28.6 years) remains slightly higher than that of the French fleet (28 years).

The competition

There are fifteen railcar leasing companies in Europe. With its leading position in the shipping container leasing market, the Group has specialized in the combined transport market and is currently the second-largest lessor of intermodal railcars in Europe, behind AAE.

In the United States, the group established a joint venture in 2002 with Chicago Freight Car Leasing, which is the twelfth-largest lessor of railcars in North America, with more than 7,500 railcars under lease, behind GE Rail, First Union Leasing, Gatx Rail (source: American Association of Railways).

Customers and suppliers

In Europe, the Group works with the main public and private rail operators and has customers in the major European countries. In the United States, the main customers are industrial groups which use rail transport as part of their logistics chain.

Main customers	Share of total revenue
CNC (France)	67%
Hupac (Switzerland)	11%
GB Railfreight (Great Britain)	5%
Freightliner (Great Britain)	5%
Eurocombi	3%
CTL	1%

Main suppliers	Services
Techni Industrie	Spare parts, bogies
SNCF, Ateliers SDHF, Lormafer	Axle repairs
AFR	Manufacturer
SDHF, Lormafer, AFG	Maintenance, repair workshop

2003

In 2002 the TOUAX Group entered into an alliance with Almafin, a subsidiary of the Belgian bancassurance group Almanij. This alliance, and the creation of an investment company majority-owned by Almafin, provides the group with the necessary resources to meet growing demand.

At the end of 2003 the fleet comprised 1,736 railcars, an increase of 63% compared to 2002 (1,514 railcars in Europe against 919 in 2002, and 222 railcars in the United States against 148 in 2002). The annual average utilization rate is close to 100%. The conclusion of a 10-year contract with CNC explains the large increase in the fleet and in revenues.

OUTLOOK FOR RAILCAR LEASING IN 2004

In Europe

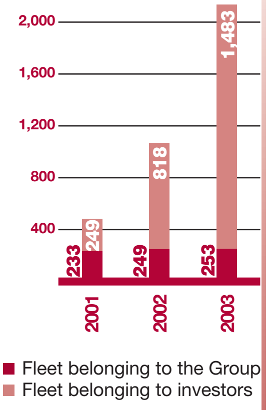
The Group intends to concentrate its investments on purchases of intermodal railcars, in order to consolidate its position in this sector. It also plans to take advantage of the liberalization of the rail freight market and to participate in the refinancing of the existing operators' fleets. The Group's ambition is to become the leading European specialist in the leasing of intermodal railcars.

In the United States

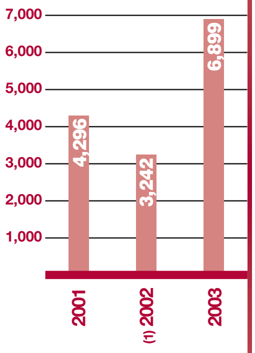
The Group has specialized in the leasing of hopper railcars and intends to develop its partnership with Chicago Freight Car Leasing.

Generally, the outlook for railcar leasing is good. The Group plans to continue investing in order to attain a significant size in the medium term.

Fleet managed by the Group

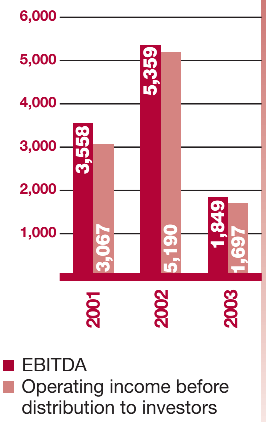


Revenues (in thousands of euros)



(1) Proportional integration of 51% instead of 100% from 1 May 2002.

Revenues (in thousands of euros)



Glossary

Operational leasing
unlike financial leasing, operational leasing does not transfer to the lessee almost all the risks and advantages inherent in the ownership of an asset.

Shipping container
metallic container of standardized dimensions for the transportation of goods.

Modular buildings
building composed of standard elements (modules) which are superimposed and juxtaposed on site without alteration during installation.

River barge
non-motorized metallic flat-bottomed vessel used to transport goods by river.

Pushboat
motorized vessel used to push river barges.

Self-propelled barge
motorized river barge.

Freight railcar
rail vehicle used to transport goods.

Railcars of the 45′, 60′, 90′ and 106′ multifreight type and flat railcars
freight railcars with standardized dimensions.

TEU (twenty foot equivalent unit)
measurement unit used for containers.

BPW
building and public works.

Transport capacity
daily transport capacity of a vessel.

20′ dry container
standard container measuring 20′ x 8′ x 8′6″.

40′ dry container
standard container measuring 40′ x 8′ x 8′6″.

Open top container
open-top container for outsize loads.

Flat container
platform container for special loads.

High cube container
larger-sized container 40′x 8′x 9′6″.

Reefer container
refrigerated container.
Pool: equipment grouping.

Asset-back securitization
a method of financing a business whereby assets are transferred by their owner (the vendor) to a specific entity which in turn finances the acquisition by issuing securities (notes) to various parties (investors).

EBITDA
earnings before interest, tax, depreciation and amortization. The EBITDA used by the group is equivalent to gross operating profit less operating provisions (in particular provisions for bad and doubtful debts).

ROFA
return on fixed assets. This ratio is a performance indicator for the group. The ROFA is determined for each business and is the ratio of EBITDA, less distributions to investors, to total gross fixed assets allocated to the business (excluding goodwill).

Income statement as at 31 december 2003

Notes Number	(€ thousands)	2003	2002	2001 proforma[1]	2001 published
3	**REVENUES**	**167,769**	**147,678**	**132,895**	**131,999**
4	Purchases and other external expenses	(115,260)	(96,299)	(75,807)	(75,807)
5	Personnel expenses	(11,648)	(11,984)	(12,020)	(12,020)
6	Other operating expenses and income	2,358	7,444	1,721	(388)
	GROSS OPERATING PROFIT	**43,219**	**46,839**	**46,789**	**43,784**
7	Operating provisions	(136)	931	(1,568)	(1,568)
	EBITDA	**43,083**	**47,770**	**45,221**	**42,216**
8	Depreciation and amortization	(8,088)	(9,759)	(9,165)	(9,277)
	OPERATING INCOME	**34,995**	**38,011**	**36,056**	**32,939**
9	Lease revenues due to investors	(30,880)	(27,574)	(25,834)	(24,938)
	OPERATING INCOME AFTER DISTRIBUTION TO INVESTORS	**4,115**	**10,437**	**10,222**	**8,001**
10	**FINANCIAL RESULT**	**(3,047)**	**(5,002)**	**(4,626)**	**(4,626)**
	PRETAX UNDERLYING EARNINGS	**1,068**	**5,435**	**5,596**	**3,375**
	Net capital gains on disposals of assets				3,837
	Other exceptional items				(1,862)
	EXCEPTIONAL INCOME	**0**	**0**	**0**	**1,975**
11	Exceptional income	2,811	(1,783)	(2,039)	(2,039)
	NET INCOME FROM CONSOLIDATED COMPANIES	**3,879**	**3,652**	**3,557**	**3,311**
12	Amortization of goodwill	(1,201)	(1,144)	(682)	(436)
	CONSOLIDATED NET INCOME	**2,678**	**2,508**	**2,875**	**2,875**
	Minority interests	(109)	7	48	48
	CONSOLIDATED NET ATTRIBUTABLE INCOME	**2,569**	**2,515**	**2,923**	**2,923**
	Earnings per share (2)	0.91	0.89	1.03	1.03

(1) Ordinary capital gains on disposals of equipment are now included in the gross operating profit (they amounted to €2.3 million in 2003, €6.1 million in 2002 and €4.1 million in 2001). The other charges previously classified as exceptional are broken down by type in the current operating expenses.

(2) The figure for earnings per share is obtained by dividing the net income for the year by the number of shares in circulation at the end of the year.

Analytical income statement as at 31 december 2003

(€ thousands)	2003	2002	2001 proforma(1)	2001 Published
Lease revenues	106,965	110,121	110,640	109,744
Sales of equipment	59,125	35,066	15,157	15,157
Commissions	219	544	1,024	1,024
Managed equipment program distributions	1,460	1,947	6,074	6,074
TOTAL REVENUES	**167,769**	**147,678**	**132,895**	**131,999**
Cost of sales	(55,676)	(31,833)	(13,006)	(13,006)
Operating expenses	(56,308)	(58,819)	(64,269)	(62,295)
Selling, general and administrative expenses	(12,114)	(12,300)	(10,565)	(10,565)
Overheads	(2,878)	(3,026)	(3,917)	(3,917)
Capital gains on disposals	2,290	6,070	4,083	
EBITDA	**43,083**	**47,770**	**45,221**	**42,216**
Depreciation and amortization	(8,088)	(9,759)	(9,165)	(9,277)
OPERATING INCOME	**34,995**	**38,011**	**36,056**	**32,939**
Lease revenues due to investors	(30,880)	(27,574)	(25,834)	(24,938)
OPERATING INCOME AFTER DISTRIBUTION	**4,115**	**10,437**	**10,222**	**8,001**
FINANCIAL RESULT	**(3,047)**	**(5,002)**	**(4,626)**	**(4,626)**
UNDERLYING PRETAX EARNINGS	**1,068**	**5,435**	**5,596**	**3,375**
Capital gains on disposals of assets				3,837
Other exceptional items				(1,862)
EXCEPTIONAL INCOME				**1,975**
Corporation tax	2,811	(1,783)	(2,039)	(2,039)
NET INCOME FROM CONSOLIDATED COMPANIES	**3,879**	**3,652**	**3,557**	**3,311**
Amortization of goodwill	(1,201)	(1,144)	(682)	(436)
CONSOLIDATED NET INCOME	**2,678**	**2,508**	**2,875**	**2,875**
Minority interests	(109)	7	48	48
CONSOLIDATED NET ATTRIBUTABLE INCOME	**2,569**	**2,515**	**2,923**	**2,923**
Earnings per share (2)	0.91	0.89	1.03	1.03

(1) Ordinary capital gains on disposals of equipment are now included in the gross operating profit (they amounted to €2.3 million in 2003, €6.1 million in 2002 and €4.1 million in 2001). The other charges previously classified as exceptional are broken down by type in the current operating expenses.

(2) The figure for earnings per share is obtained by dividing the net income for the year by the number of shares in circulation at the end of the year.

Consolidated balance sheet as at 31 december 2003

Notes Number	(€ thousands)	2003	2002	2001
	ASSETS			
12	Goodwill	2,649	3,871	5,007
12	Other net intangible assets	313	391	643
13	Net tangible assets	86,980	106,102	116,629
14	Fixed assets	12,071	14,021	27,206
	Total fixed assets	**102,013**	**124,385**	**149,485**
	Inventories and work in progress	4,332	1,611	1,760
15	Trade debtors	21,230	26,366	31,491
16	Other receivables	16,526	16,670	85,348
	Cash and cash equivalents	27,525	17,411	8,061
	Total current assets	**69,613**	**62,058**	**126,660**
	TOTAL ASSETS	**171,626**	**186,443**	**276,145**
	LIABILITIES			
	Share capital	22,705	22,705	22,705
	Reserves	20,760	26,098	31,814
	Net attributable income	2,569	2,515	2,923
17	**Group shareholders' equity**	**46,034**	**51,318**	**57,442**
	Minority interests	725	857	1,233
	Total shareholders' equity	**46,759**	**52,175**	**58,675**
18	**Provisions for liabilities and charges**	**376**	**337**	**576**
19	Financial debt	79,767	81,813	102,983
20	Trade creditors	27,227	17,746	21,776
21	Other debts	17,497	34,372	92,135
	TOTAL LIABILITIES	**171,626**	**186,443**	**276,145**

The accompanying notes form an integral part of the consolidated financial statements.

TABLE OF GROUP MANAGEMENT BALANCES AS AT 31 DECEMBER 2003

(€ thousands)	2003	2002	2001
Sale of goods	59,125	35,065	15,157
Purchase of goods	(55,676)	(31,833)	(13,006)
GROSS PROFIT	**3,449**	**3,232**	**2,151**
Annual production	108,644	112,612	117,737
Charges from third parties	(59,068)	(61,326)	(65,739)
ADDED VALUE	**53,025**	**54,518**	**54,149**
Taxes and duties	(582)	(833)	(991)
Personnel expenses	(11,649)	(11,984)	(12,020)
Capital gains on disposals	2,290	6,069	4,083
EBITDA	**43,084**	**47,770**	**45,221**
Depreciation and amortization	(8,088)	(9,759)	(9,166)
OPERATING INCOME	**34,996**	**38,011**	**36,055**
Share of income from joint operations (distribution to investors)	(30,880)	(27,574)	(25,834)
Financial income	1,684	1,616	3,871
Financial expenses	(4,732)	(6,618)	(8,496)
PRETAX UNDERLYING EARNINGS	**1,068**	**5,435**	**5,596**
Corporation tax	2,811	(1,783)	(2,039)
Amortization of goodwill	(1,201)	(1,144)	(682)
CONSOLIDATED NET INCOME	**2,678**	**2,508**	**2,875**

GROUP CASH FLOW AS AT 31 DECEMBER 2003

(€ thousands)	2003	2002	2001
EBITDA (including capital gains on disposals)	**43,084**	**47,770**	**45,221**
Share of income from joint operations (distribution to investors)	(30,880)	(27,574)	(25,834)
Financial income	1,672	1,391	3,748
Financial expenses	(4,696)	(6,412)	(8,323)
Corporation tax	(167)	(1,472)	(1,868)
Capital gains on disposals	(2,290)	(6,069)	(4,083)
CONSOLIDATED CASH FLOW (after taxes and financial expenses)	**6,723**	**7,634**	**8,861**

CONSOLIDATED CASH FLOW AS AT 31 DECEMBER 2003

(€ thousands)	2003	2002	2001
CONSOLIDATED NET INCOME	**2,678**	**2,508**	**2,875**
Depreciation of fixed assets	8,037	9,905	9,277
Change in provisions	(2,903)	146	110
Amortization of goodwill	1,201	1,144	682
Capital gains on disposals	(2,290)	(6,069)	(4,083)
CONSOLIDATED CASH FLOW (after taxes and financial expenses)	**6,723**	**7,634**	**8,861**
Sales price of sold fixed assets	19,128	19,311	33,770
CONSOLIDATED NET CASH FLOW	**25,851**	**26,945**	**42,631**

Consolidated statement of source and application of funds

(€ thousands)	2003	2002	2001	2000	1999
I. Operating activities					
Operating cash flow	6,723	7,634	8,861	5,180	11,539
Change in working capital requirement	10,993	761	5,303	(18,524)	6,475
CASH FLOW ASSOCIATED WITH OPERATING ACTIVITIES	**17,716**	**8,395**	**14,164**	**(13,344)**	**18,014**
II. Investment activities					
Acquisition of fixed assets	(13,405)	(19,133)	(48,783)	(56,458)	(38,434)
Net change in long-term investments and loans	421	10,194	128	(2,098)	(12,710)
Proceeds from asset disposals	19,128	19,311	33,771	15,499	3,084
Change in investment capital requirement	(12,683)	9,855	(5,542)	4,094	(692)
Cash position of newly consolidated or deconsolidated companies	(227)	221			
CASH FLOW ASSOCIATED WITH INVESTMENT ACTIVITIES	**(6,766)**	**20,448**	**(20,426)**	**(38,963)**	**(48,752)**
III. Financing activities					
Net change in financial debt	3,698	(9,578)	2,856	22,730	32,407
Net increase in shareholders' equity	2	(684)	3,560	5,415	5,352
Dividends distributed	(1,703)	(2,205)	(2,030)	(1,522)	(1,416)
Change in financing requirement				179	1,073
CASH FLOW ASSOCIATED WITH INVESTMENT ACTIVITIES	**1,997**	**(12,467)**	**4,386**	**26,802**	**37,416**
IV. Impact of exchange rate fluctuations – various					
Exchange rate fluctuations – various	(2,519)	(903)	297	2,249	2,302
CASH FLOW ASSOCIATED WITH EXCHANGE RATE FLUCTUATIONS	**(2,519)**	**(903)**	**297**	**2,249**	**2,302**
CHANGE IN CASH FLOW (I) + (II) + (III) + (IV)	**10,428**	**15,473**	**(1,579)**	**(23,256)**	**8,980**
Cash position at start of year	12,720	(2,753)	(1,174)	22,082	13,102
CASH POSITION AT END OF YEAR	**23,148**	**12,720**	**(2,753)**	**(1,174)**	**22,082**

The operating working capital requirement corresponds to the change in operating receivables less the change in operating debts.

The investment working capital requirement is due to the change in investment receivables less the change in investment debts.

Notes to the consolidated financial statements

(All figures are in thousands of euros unless otherwise stated)

1. Accounting principles

1.1. General

The consolidated financial statements of TOUAX SA and its subsidiaries ("the Group") have been drawn up in accordance with the accounting principles generally recognized in France. These principles are defined in the Decree of 22 June 1999 approving regulation 99-02 of the Committee for Accounting Regulations (CRC) concerning the "new accounting rules and methods for consolidated financial statements".

1.2. Consolidation and valuation methods

Scope of consolidation

All companies in which TOUAX SA has a majority interest are consolidated by the global integration method, with appropriate entries for minority interests.

Companies controlled jointly by TOUAX SA and another partner or associate are consolidated by the proportional integration method.

A list of companies included in the consolidation appears in note 2.2.

Entities set up for asset-backed securitization are not included within the consolidation, as the Group exercises no control over them within the meaning of CRC regulation 99-02. Actually the Group does not have the decision power on the entities concerned or on their assets. The Group does not own the majority of economical advantages of these entities and does not retain the majority of risks. Full details of these operations are provided in notes 22.5 to 22.8. Moreover the completion of the CNC regulation 2004-10 dated from April 6th 2004 should not change the actual situation.

Year-end date

The financial year for all Group companies ends on 31 December.

Foreign currency debts and receivables

Foreign currency debts and receivables are valued at the exchange rate prevailing on 31 December of the financial year; the translation differences relating to monetary assets and liabilities denominated in foreign currencies (unrealized gains and losses) are taken to the income statement.

Foreign exchange gains and losses on any monetary item which effectively forms an integral part of the net assets of a consolidated foreign company are included in shareholders' equity until the sale or liquidation of such net assets, in accordance with CRC regulation 99-02.

Translation of the financial statements of foreign companies

Balance sheets of foreign companies are translated into euros at year-end exchange rates. Income statements and cash flows are translated into euros at the average exchange rate for the year.

Profits or losses arising from the translation of financial statements of foreign companies are accounted for in a translation reserve included in consolidated shareholders' equity.

Goodwill

When a company enters the consolidated group following its acquisition, the difference (after any appropriation) between the cost price of the shares held and the value of the corresponding proportion of shareholders' equity is entered as goodwill.

Such goodwill is amortized by the straight-line method over periods estimated at the time of acquisition, depending on the nature of the business and the strategic importance of each company concerned, subject to a maximum of 20 years.

The value of the goodwill is re-examined whenever events or circumstances indicate that a loss of value may have occurred. Such events and circumstances include significant adverse changes of a lasting character affecting the economic environment or the assumptions or targets decided on at the time of acquisition. Any need to enter a loss of value is assessed for each entity by reference to the discounted present value of future income streams, on the basis of assumptions applied by the management of the Group with regard to the economic situation and the expected operating conditions. Any exceptional amortization deriving from this test of value is charged to the income statement (cf. note 12.2).

Goodwill amounts to 5.7% of the shareholders' equity of the consolidated group as at 31 December 2003.

Other intangible assets

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

Tangible fixed assets

These are stated at their acquisition cost. When transfers occur between group companies or when mergers and partial asset conveyances involving revaluation take place, the capital gains of these intercompany transactions are eliminated from the consolidated financial statements. Depreciation is calculated by the straight-line method over the estimated useful life of the assets. An exceptional writedown takes place if the recoverable value is lower than the book value (cf. note 8.1).

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

– Shipping containers (of the dry goods type)	15 years
– Modular buildings	20 years

– River transportation (barges and pushboats)	30 to 35 years
– Railcars	30 years

The shipping containers are written down with a residual value of 15% in accordance with the standard practice in the industry.

The modular buildings in the United States are written down over 20 years on the basis of a residual value of 50% in accordance with the practice in the United States.

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

Leasing

Assets acquired under lease are included in "tangible fixed assets" and depreciated over their estimated useful life.

The corresponding liability is recorded under "financial debt", and the interest is taken to the income statement for the term of the contract.

Long-term investments

Equity securities and loans to non-consolidated companies are carried in the balance sheet at their historical cost.

When the asset value is less than the original unadjusted values, provisions are created to cover the difference.

The asset value is assessed as function of expected future rates of return and recovery.

Receivables

Receivables are valued at face value. A provision is entered if the asset value falls below the book value. Amounts receivable from trusts and from GIE Modul Finance I are subjected to impairment tests on the basis of their future profitability.

Own shares

The Group's own shares are accounted for as part of investment securities at historical cost (€40,000 as at 31 December 2003). A provision is created if the closing price is below the purchase value.

Corporation tax

Provisions for deferred taxes are created using the liability method to ensure that tax charges are attributed to the relevant accounting period, taking account of the timing difference which may occur between the date at which income and expenses are recorded and that of their actual tax effect.

Deferred tax assets resulting from these timing differences, or from losses available for carry forward, are only entered to the extent that the companies or groups of companies concerned have reasonable certainty of recovering them in the subsequent years.

Pension and similar liabilities

The Group's pension liabilities relate only to end-of-career payments. The Group has no liability within any defined-benefit schemes.

The end-of-career payments are provisioned in full in the Group's accounts for employees aged over 55. The amounts concerned are not indexed.

Post balance sheet events

None

1.3. Presentation of the income statement

Since the 2002 financial year, capital gains and losses on sales of equipment, which are ordinary management operations for the Group but were previously stated as exceptional items, have been transferred to the operating result, where they are stated at their net amount under "other operating expenses and income". Furthermore, the other expenses and income which were previously classified as exceptional but are attributable to ordinary operations have been reclassified in the operating result.

The aim of this presentation, which has been applied retrospectively to the 2001 results, is to improve the transparency of the financial statements and to provide more reliable financial information having regard to the developments in the Group's activities; it allows a better comparison with the financial statements of companies in the same sector of activity. It also enables the Group to align itself more closely with the COB's recommendations for listed companies, according to which they should "use the definition provided by standard no. 8 of the IASC, revised in 1993, whereby the income statement draws a distinction between the income attributable to ordinary activities and extraordinary items".

So as to provide a reliable comparison with previous years, the income statement for the 2001 financial year has been restated in a pro forma column in accordance with the new method.

Notes to the consolidated financial statements

2. Scope of consolidation

Number of consolidated companies	2003	2002	2001
French companies	3	3	3
Foreign companies	25	26	20
TOTAL	**28**	**29**	**23**

2.1. Changes to the consolidated group in 2003

Departure

Eurokor Barging BVBA was sold in the fourth quarter and therefore no longer forms part of the consolidated group.

Contributions of companies entering and leaving the consolidated group

(€ thousands)	2003		2002		2001	
	Turnover	Net income	Turnover	Net income	Turnover	Net income
ENTERING						
Siko Polska Sp.z.oo.			838	(297)		
Eurobulk Belgium BVBA				(2)		
Touax Rail Ltd			1,686	535		
Almafin Rail Investment Ltd				(12)		
CFCL Touax Llp			18	1		
Touax Rail Romania SA (ex Touax Saaf SA)					347	10
Touax Modules Services SAS						132
Touax Conteneurs Services SNC						67
TOTAL FOR COMPANIES ENTERING THE GROUP	**0**	**0**	**2,542**	**225**	**347**	**209**
LEAVING						
Eurokor Barging BVBA	4,758	61				
Nogemat SARL						53
TOTAL FOR COMPANIES LEAVING THE GROUP	**4,758**	**61**	**0**	**0**	**0**	**53**

As the change in the consolidated group is not significant, no pro forma accounting data or pro forma accounts have been presented.

The pro forma data presented in 2001 related to a change of presentation method.

2.2. List of consolidated companies in 2003

Company name	Address and reg. no.	Control percentage	Method of consolidation
TOUAX SA Investment and holding company for investment and operating companies engaged in transport and leasing of equipment	Tour Arago – 5, rue Bellini 92806 PUTEAUX-LA DÉFENSE Cedex (FRANCE) SIREN 305 729 352		GI
ALMAFIN RAIL INVESTMENT Ltd Railcar investment, leasing and sales company	West Block International Financial Services Center DUBLIN 1 (IRELAND)	49%	PI
CFCL TOUAX Llp Railcar investment, leasing and sales company	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	51%	PI
CS DE JONGE BV River transportation company	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	100%	GI
EUROBULK BELGIUM BVBA River transportation holding company	BC Leuven zone 2 – Interleuvnlaan 62 Bus 10 – B3001 LEUVEN (BELGIUM)	100%	GI
EUROBULK TRANSPORTMAATSCHAPPIJ BV River transportation and equipment management company	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	100%	GI
GOLD CONTAINER Corporation Shipping container investment, leasing and sales company	169 E Flager street – Suite 730 Miami FL 33131 (USA)	100%	GI
GOLD CONTAINER GmbH Modular building leasing and sales company	Lessingstrasse 52 Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100%	GI
INTERFEEDER-DUCOTRA BV Company for river transportation and repositioning of containers	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	69.24%	GI
MARSTEN/THG MODULAR LEASING Corp. **WORKSPACE PLUS D/B/A** Modular building investment, leasing and sales company	801 Douglas Avenue Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
SIKO CONTAINERHANDEL GmbH Modular building leasing and sales company	Lessingstrasse 52 Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100%	GI
SIKO POLSKA Sp.z.o.o Modular building investment, leasing and sales company	21 Limbowa St 80-175 GDANSK (POLAND)	100%	GI
TOUAX BV Modular building investment, leasing and sales company	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	100%	GI
TOUAX CAPITAL SA Equipment management company	C/0 Progressia – 18, rue Saint-Pierre 1700 FRIBOURG (SWITZERLAND)	99.99%	GI
TOUAX CONTAINER LEASE RECEIVABLES Corp. Investment company in accordance with the Trust 98 constitution	1013 Centre Road WILMINGTON DELAWARE 19805 (USA)	100%	GI
TOUAX CONTENEURS SERVICES SNC Service company for shipping container business	Tour Arago – 5, rue Bellini 92806 PUTEAUX-LA DÉFENSE Cedex (FRANCE)	100 %	GI

Notes to the consolidated financial statements

Company name	Address and reg. no.	Control percentage	Method of consolidation
TOUAX Corporation Investment and holding company for equipment leasing and transport companies	801 Douglas Avenue Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
TOUAX EQUIPMENT LEASING Corporation Investment company in accordance with the Trust 2000 constitution	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	100%	GI
TOUAX ESPAÑA SA Modular building investment, leasing and sales company	P.I. Cobo Calleja Ctra. Villaviciosa a Pinto – Km 17,800 28947 FUENLABRADA (SPAIN)	100%	GI
TOUAX FINANCE Inc. Investment company in accordance with the Trust 95 constitution	Lockerman Square Suite L 100 DOVER, DELAWARE 19901 (USA)	100%	GI
TOUAX INSTALLATIETECHNIK BV Modular building investment, leasing and sales company	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	100%	GI
TOUAX LEASING Corp. River transportation company	801 Douglas Avenue – Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100%	GI
TOUAX LPG SA et IOV Ltd River transportation company	Benjamin Constant 593 ASUNCION (PARAGUAY)	100%	GI
TOUAX MODULES SERVICES SAS Service company for the modular buildings business	Tour Arago – 5, rue Bellini 92806 PUTEAUX-LA DÉFENSE Cedex (FRANCE)	100%	GI
TOUAX NV Modular building investment, leasing and sales company	BC Leuven zone 2 Interleuvnlaan – 62 Bus 10 B3001 LEUVEN (BELGIUM)	100%	GI
TOUAX RAIL Ltd Railcar investment, leasing and sales company	West Block International Financial Services Center DUBLIN 1 (IRELAND)	51%	PI
TOUAX ROM SA River transportation company	Cladire administrativa Mol 1S, étage 3 CONSTANTA SUD-AGIGEA (ROMANIA)	97.975%	GI
TOUAX RAIL ROMANIA SA (ex TOUAX SAAF SA) Railcar leasing and trading company	Cladire administrativa Mol 1S, étage 3 CONSTANTA SUD-AGIGEA (ROMANIA)	52.5%	PI

GI = global integration
PI = proportional integration

Notes to the consolidated income statement

3. Revenues

3.1. Breakdown by type

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Lease revenues	106,965	110,121	(3,156)	–3%	110,640
Sales of equipment	59,125	35,066	24,059	69%	15,157
Commissions	219	544	(325)	–60%	1,024
Managed equipment program distributions	1,460	1,947	(487)	–25%	6,074
TOTAL	**167,769**	**147,678**	**20,091**	**14%**	**132,895**

Managed equipment program distributions comprise revenue from the leasing of equipment (river barges, shipping containers and railcars) which belong to the Group but are managed under contract by non-Group operating companies, such as Transamerica in the case of shipping containers, Robert Miller & Co and Olympic Marine in the case of barges on the Mississippi and Genesee & Wyoming Leasing Corp. in the case of railcars in the United States. In 2001, the managed equipment program distributions also included operating revenues from shipping containers (€3.7 million) sold to the trust in 2001 (cf. note 22.8).

3.2. Breakdown by activity

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Shipping containers	90,127	66,278	23,849	36%	48,945
Modular buildings	40,350	44,838	(4,488)	–10%	45,605
River barges	30,247	33,180	(2,933)	–9%	33,898
Railcars	6,899	3,242	3,657	113%	4,296
Miscellaneous	146	140	6	4%	151
TOTAL	**167,769**	**147,678**	**20,091**	**14%**	**132,895**

3.2.1. Revenues – shipping containers

(€ thousands)	2003	2002	Change 2003-2002	Change (%)
Lease revenues	40,637	39,964	673	2%
Sales of equipment	49,395	26,200	23,195	89%
Commissions	57	92	(35)	–38%
Managed equipment program distributions	38	22	16	73%
TOTAL	**90,127**	**66,278**	**23,849**	**36%**

In spite of the decline of the dollar, lease revenues rose by 2%.

The increase in sales of equipment is explained mainly by the conclusion of new management programs for new equipment with private investors. The group purchased new containers and sold them to investors. These investors entrusted the management of their containers to the group.

Notes to the consolidated income statement

3.2.2. Revenues - modular buildings

(€ thousands)	2003	2002	Change 2003-2002	Change (%)
Lease revenues	32,860	36,537	(3,677)	–10%
Sales of equipment	7,490	8,301	(811)	–10%
TOTAL	**40,350**	**44,838**	**(4,488)**	**–10%**

The decrease in revenues is due to a decline in the average utilization rate (74.6% in 2003, compared to 77.4% in 2002) resulting from a more difficult economic situation 2003, particularly in Europe.

3.2.3. Revenues – river barges

(€ thousands)	2003	2002	Change 2003-2002	Change (%)
Transport and leasing revenues	28,934	31,441	(2,507)	–8%
Managed equipment program distributions	1,313	1,739	(426)	–24%
TOTAL	**30,247**	**33,180**	**(2,933)**	**–9%**

Transport and leasing revenues include transport, charter, storage and leasing operations relating to barges and pushboats.

The decline in transport and leasing revenues in 2003 is explained by the divestment of a subsidiary in the Netherlands on 30 September 2003.

3.2.4. Revenues – railcars

(€ thousands)	2003	2002	Change 2003-2002	Change (%)
Lease revenues	4,388	2,039	2,349	115%
Sales of equipment	2,240	565	1,675	296%
Commissions	162	452	(290)	–64%
Managed equipment program distributions	109	186	(77)	–41%
TOTAL	**6,899**	**3 242**	**3 657**	**113 %**

Railcar revenues increased significantly in 2003 as a result of growth in the fleet under management (1,736 railcars as at 31 December 2003, compared to 1,067 at the end of 2002) and the completion of new management programs.

3.3. Geographical breakdown of revenues

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Europe	72,255	74,488	(2,233)	–3%	73,866
United States	5,387	6,912	(1,525)	–22%	8,639
South America			0	na	1,445
International (shipping containers)	90,127	66,278	23,849	36%	48,945
TOTAL	**167,769**	**147,678**	**20,091**	**14%**	**132,895**

The breakdown into geographical sectors is based on the location of Group companies, except in the case of shipping containers, where it is based on the location of customers. For the record, the shipping containers business is centralized within an American subsidiary.

4. Purchases and other external charges

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Purchases of goods	(56,787)	(33,193)	(23,594)	71%	(14,518)
Other external services	(57,890)	(62,273)	4,383	–7%	(60,297)
Taxes and duties	(583)	(833)	250	–30%	(992)
TOTAL	**(115,260)**	**(96,299)**	**(18,961)**	**20%**	**(75,807)**

Purchases of goods

The increase in goods purchased is in line with the increase in sales of equipment.

Other external services

The decrease in other external services essentially reflects the decrease in general costs of the activities and overheads.

Taxes and duties

This item includes the various operating taxes, which, in France, correspond to business tax, land taxes, apprenticeship tax, levies related to employee training and turnover tax.

5. Personnel costs

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Europe	(10,551)	(10,803)	252	–2%	(10,592)
United States	(1,097)	(1,181)	84	–7%	(1,073)
South America			0	na	(355)
TOTAL	**(11,648)**	**(11,984)**	**336**	**–3 %**	**(12,020)**

6. Other operating expenses and income

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Expenses and income from everyday operations	68	1,374	(1,306)	–95%	(2,362)
Capital gains from asset disposals	2,290	6,070	(3,780)	–62%	4,083
Shipping containers	(158)	(14)	(144)	1029%	1,150
Modular buildings	2,060	499	1,561	313%	123
River barges	109	1,767	(1,658)	–94%	2,212
Railcars	472	3,862	(3,390)	–88%	566
Miscellaneous	(193)	(44)	(149)	339%	32
TOTAL	**2,358**	**7,444**	**(5,086)**	**–68 %**	**1,721**

Capital gains on sales of equipment are of an ongoing nature solely because of the operational leasing activity. Capital gains on disposals are variable on the basis of half-year or full-year reporting.

Notes to the consolidated income statement

7. Operating provisions

(€ thousands)	Allocated	Released	Net allocation/release
Bad and doubtful debts			
Shipping containers	(577)		(577)
Modular buildings	(138)	301	163
River barges	(68)	329	261
Other provisions			
Miscellaneous		17	17
TOTAL	**(783)**	**647**	**(136)**

8. Depreciation and amortization

8.1. Breakdown by type

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Straight-line depreciation	(5,724)	(7,259)	1,535	–21%	(7,033)
Depreciation of leased equipment	(2,313)	(2,646)	333	–13%	(2,244)
Subtotal	**(8,037)**	**(9,905)**	**1,868**	**–19 %**	**(9,277)**
Other changes in provisions	(51)	146	(197)	–135%	112
TOTAL	**(8,088)**	**(9,759)**	**1,671**	**–17%**	**(9,165)**

The decrease in depreciation and amortization is related to the sale of assets to investors. The assets sold are mainly from the shipping containers and modular buildings businesses. The investors have entrusted the management of these assets to the Group.

The impairment tests conducted on the Group's assets have revealed decreases in the value of certain assets in the river barges business (evaluated at the market value by the company) and have given rise to an additional allocation of €605,000.

Other changes in provisions relate mainly to labor disputes, the release of a provision in respect of a company consolidated in 2002 and the release of provisions in 2001 in respect of taxation.

8.2. Breakdown of the depreciation and amortization charge by activity

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Shipping containers	**(1,169)**	**(3,078)**	**1,909**	**–62%**	**(2,198)**
– Owned	(796)	(2,514)			(1,828)
– Leased	(373)	(564)			(370)
Modular buildings	**(4,191)**	**(4,726)**	**535**	**–11%**	**(4,155)**
– Owned	(2,589)	(3,017)			(2,779)
– Leased	(1,602)	(1,709)			(1,376)
River barges	**(2,379)**	**(1,758)**	**(621)**	**35%**	**(2,249)**
– Owned	(2,152)	(1,531)			(2,011)
– Leased	(227)	(227)			(238)
Railcars	**(156)**	**(169)**	**13**	**–8%**	**(492)**
– Owned	(45)	(22)			(232)
– Leased	(111)	(147)			(260)
Other	**(142)**	**(174)**	**32**	**–18%**	**(183)**
– Owned	(142)	(174)			(183)
TOTAL	**(8,037)**	**(9,905)**	**1,868**	**–19%**	**(9,277)**

9. Lease revenues due to investors

The Group manages equipment on behalf of investors as part of its activities in river transportation and the leasing of barges, shipping containers, modular buildings and railcars. Pools have been formed for this purpose, grouping together several investors including the Group.

The revenues stated by the Group include the gross lease amounts invoiced to customers for all equipment managed in pools. The operational expenses relating to all the managed equipment are recorded as operating expenses (cf. the operating expenses heading of the analytical income statement).

Revenues and operating expenses are broken down analytically by pool, and the resulting net leasing revenues are divided among the investors in the pools in accordance with the distribution rules laid down in the pool management agreements.

The portion of income repayable to third-party investors is carried in this item. This accords with the usual practice adopted in the industry by parties managing property on behalf of third parties.

The leasing income due to investors is broken down by activity as follows:

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Shipping containers	(25,867)	(22,715)	(3,152)	14%	(20,790)
Modular buildings	(3,633)	(3,365)	(268)	8%	(3,816)
River barges	(696)	(615)	(81)	13%	(628)
Railcars	(684)	(879)	195	–22%	(600)
TOTAL	**(30,880)**	**(27,574)**	**(3,306)**	**12%**	**(25,834)**

Shipping containers

The American subsidiary Gold Container Corp. manages a total container fleet for investors of 165,709 TEU. This is made up as follows:

- Trust 95 (9,219 containers, or 11,571 TEU) showing a reduction of 1,064 containers (1,179 TEU),
- Trust 98 (14,851 containers, or 19,697 TEU) showing a reduction of 333 containers (363 TEU),
- Trust 2001 (20,284 containers, or 28,237 TEU) showing a reduction of 192 containers (232 TEU),
- Management programs (76,226 containers, or 106,204 TEU) showing an increase of 21,559 containers (31,415 TEU).

Modular buildings

The Group has distributed €2.8 million to GIE Modul Finance I, collected in France, Germany and the United States, and €0.8 million to the management programs established in 2002 and 2003.

River barges

The revenues paid to investors relate to a fleet managed in the Netherlands by the subsidiary Eurobulk Transportmaatschappij BV.

Railcars

The distributions relate to railcars managed in Europe on behalf of an investor.

Notes to the consolidated income statement

10. Financial result

(€ thousands)	2003	2002	Change 2003-2002	Change (%)	2001
Dividends (from non-group companies)	**10**		**10**	**na**	
Income from SCI Arago		**13**	**(13)**	**– 100%**	**1,071**
Financial expenses and income					
– Net financial income	240	843	(603)	–72%	1,435
– Interest expense on borrowings	(1,680)	(2,754)	1,074	–39%	(4,553)
– Interest on leases	(2,194)	(2,675)	481	–18%	(3,187)
– Net expenses on sales of investment securities	(35)		(35)	na	
Net financial expenses	**(3,669)**	**(4,586)**	**917**	**–20%**	**(6,305)**
Provisions			**0**	**na**	
– Released	55	224	(169)	–75%	122
– Allocated	(45)	(206)	161	–78%	(558)
Net allocations/releases	**10**	**18**	**(8)**	**–44%**	**(436)**
Currency translation adjustment					
– Positive	1,355	432	923	214%	1,243
– Negative	(753)	(879)	126	–14%	(199)
Net currency translation adjustment	**602**	**(447)**	**1,049**	**–235%**	**1,044**
FINANCIAL RESULT	**(3,047)**	**(5,002)**	**1,955**	**–39%**	**(4,626)**

The SCI Arago 2001 result corresponds to the net profit on the sale of a group of company offices.

The decrease of €2 million in the net financial expense results mainly from the positive currency effect associated with the fall in the value of the dollar (€1 million) and the decrease in interest charges (€1 million).

11. Corporation tax

Taxes on the consolidated profit comprise due taxes payable by Group companies and deferred taxes arising from tax losses and timing differences between the consolidated financial statements and fiscal accounts.

The Group has opted for the tax consolidation system in the United States, France and the Netherlands. The American fiscal group comprises the companies TOUAX Corp., TOUAX Leasing Corp., Gold Container Corp., Workspace Plus, TOUAX Finance, TOUAX Container Lease Receivables Corp. ("Leasco 1") and TOUAX Equipment Leasing Corp. ("Leasco 2"). The French fiscal group comprises the companies TOUAX SA and TOUAX Modules Services SAS. The Dutch fiscal group comprises the companies TOUAX BV, TOUAX Installatietechnik BV, EUROBULK Transportmaatschappij BV and CS de Jonge BV.

Analysis of the tax charge

(€ thousands)	2003			2002			2001		
	Due	Deferred	Total	Due	Deferred	Total	Due	Deferred	Total
Europe	(171)	158	(13)	(1,472)	215	(1,257)	(295)	(645)	(940)
USA	4	2,794	2,798		(680)	(680)	(1,565)	450	(1,115)
South America		26	26		154	154	(8)	24	16
TOTAL	**(167)**	**2,978**	**2,811**	**(1,472)**	**(311)**	**(1,783)**	**(1,868)**	**(171)**	**(2,039)**

In 2003, the net tax figure was positive at €2.8 million. This related to a deferred tax receivable resulting largely from American taxation arrangements.

(€ thousands)	2003
Net income of consolidated companies	2,678
Goodwill allocation and provision	1,201
Tax on income	(2,811)
Result before tax and goodwill amortization	**1,068**
Theoretical tax charge at 34.33%	367
Impact on the theoretical tax of:	
– Tax rate differentials among foreign subsidiaries	255
– Permanent differences and other factors	(1,553)
– Losses generated during the year	(1,691)
– Losses appropriated during the period	(189)
Effective tax charge	**(2,811)**

The net deferred tax assets not recognized in the accounts are estimated at $2.4 million.

Notes to the consolidated balance sheet

ASSETS

12. Intangible assets

(€ thousands)	31.12.2003 Gross value	Amortization	31.12.2003 Net value	31.12.2002 Net value	31.12.2001 Net value
Goodwill	**6,667**	**(4,018)**	**2,649**	**3,871**	**5,007**
Other intangible assets					
Clientele	295	(73)	222	232	241
Other (software, establishment costs)	589	(498)	91	159	402
Subtotal	**884**	**(571)**	**313**	**391**	**643**
TOTAL	**7,551**	**(4,589)**	**2,962**	**4,262**	**5,650**

12.1. Change in goodwill – gross values

(€ thousands)	01.01.2003	Increase	Decrease	Conversion difference	31.12.2003
River barges					
Eurobulk Transportmaatschapij BV	667				667
CS de Jonge BV	121				121
Interfeeder-Ducotra BV	4,287				4,287
Touax Rom SA	5				5
Touax Leasing Corporation	250			(42)	208
Modular buildings					**0**
Siko Containerhandel GmbH	429				429
Workspace +	1,144			(194)	950
TOTAL	**6,903**	**0**	**0**	**(236)**	**6,667**

12.2. Change in goodwill amortization

(euro '000)	As at 01.01.2003	Increase	Decrease	Conversion difference	31.12.2003
River barges					
Eurobulk Transportmaatschapij BV	406	41			447
CS de Jonge BV	25	5			30
Interfeeder-Ducotra BV	1,251	1,068			2,319
Touax Rom SA	1				1
Touax Leasing Corporation	150	23		(28)	145
Modular buildings					**0**
Siko Containerhandel GmbH	119	22			141
Workspace +	1,080	42		(187)	935
TOTAL	**3,032**	**1,201**	**0**	**(215)**	**4,018**

The goodwill impairment tests have revealed a loss of value attributable to INTERFEEDER DUCOTRA BV in an amount of €856,000. The test is based on the net present value of the cash flows, using a growth rate of 4.5 and a actualization rate of 6.5%.

	Acquisition	Depreciation period	Accumulated depreciation
River barges			
Eurobulk Transportmaatschapij BV	1990	20 years	66.9%
CS de Jonge BV	1999 & 2001	20 years	25.3%
Interfeeder-Ducotra BV	1996 & 1998	20 years	54.1%
Touax Rom SA	1999	20 years	25.0%
Touax Leasing Corporation	1996	10 years	70.0%
Modular buildings			
Siko Containerhandel GmbH	1997	20 years	32.9%
Workspace +	1989	15 years	98.4%

13. Tangible fixed assets

13.1. Breakdown by type

	31.12.2003				31.12.2002	31.12.2001
(€ thousands)	Gross value	Depreciation	Intragroup capital gains	Net value	Net value	Net value
Land	438		(188)	250	605	898
Land under lease	1,979			1,979	1,979	1,979
Buildings	1,940	(570)	(1)	1,369	1,521	1,588
Equipment	65,180	(25,815)	(1,804)	37,561	54,673	59,781
Equipment under lease	51,393	(7,676)		43,717	46,091	50,830
Other tangible fixed assets	3,971	(3,145)		826	966	1,357
Advances & payments on account	1,278			1,278	267	196
TOTAL	**126,179**	**(37,206)**	**(1,993)**	**86,980**	**106,102**	**116,629**

13.2. Breakdown of gross fixed assets by activity

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Shipping containers	18,241	23,223	26,692
Modular buildings	62,813	68,828	68,089
River barges	33,712	32,829	39,906
Railcars	9,743	15,505	10,530
Miscellaneous	1,670	1,982	2,026
TOTAL	**126,179**	**142,367**	**147,243**

13.3. Breakdown of net fixed assets by activity

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Shipping containers	11,267	15,217	19,763
Modular buildings	49,067	56,965	59,306
River barges	22,481	23,462	28,795
Railcars	3,325	9,235	7,208
Miscellaneous	840	1,223	1,557
TOTAL	**86,980**	**106,102**	**116,629**

13.4. Changes in gross fixed assets by type

(€ thousands)	01.01.2003	Acquisitions	Disposals	Conversion difference	Miscellaneous	31.12.2003
Land	793		(305)	(49)	(1)	438
Land under lease	1,979					1,979
Buildings	2,008	5	(8)	(66)	1	1,940
Equipment	80,716	5,389	(17,283)	(3,382)	(260)	65,180
Equipment under lease	52,673	6,521	(5,577)	(2,224)		51,393
Other tangible fixed assets	3,931	376	(115)	(230)	9	3,971
Advances & payments on account	267	1,010			1	1,278
TOTAL	**142,367**	**13,301**	**(23,288)**	**(5,951)**	**(250)**	**126,179**

Disposals of equipment (including leased equipment) break down by activity as follows:

–Modular buildings: sale of 1,079 units,

–Railcars: sale of 1,159 railcars.

These units are sold to investors under management programs. The investors have appointed the Group to manage these units on their behalf.

14. Financial fixed assets

(€ thousands)	31.12.2003			31.12.2002	31.12.2001
	Gross value	Depreciation	Net value	Net value	Net value
Participating interests	684	(573)	111	127	226
Loans and other financial fixed assets	12,251	(291)	11,960	13,894	26,980
TOTAL	**12,935**	**(864)**	**12,071**	**14,021**	**27,206**

14.1. Participating interests

The participating interests include the Group's investments in trust TCLRT95 contributed by the subsidiary TOUAX Finance Inc. in an amount of €527,000 ($665,000). The Group's interest represents 9.87% of the equity capital of trust TCLRT95. Since 2001, this participation has been written off in full, i.e. in an amount of €527,000.

14.2. Loans and other financial fixed assets

(€ thousands)	01. 01. 2003	Increase	Decrease	Conversion difference	31.12.2003
Shipping containers	9,880	7	(2)	(1,676)	8,209
Modular buildings	3,193	195	(150)	(5)	3,233
River barges	144			(24)	120
Railcars	294	34	(280)		48
Miscellaneous	661	1	(21)		641
TOTAL	**14,172**	**237**	**(453)**	**(1,705)**	**12,251**

Shipping containers: the situation of loans, collateral deposits and other financial fixed assets associated with the trusts is set out in notes 22.6, 22.7 and 22.8.

Modular buildings: the financial fixed assets consist of deposits and advances granted to GIE Modul Finance I for €3.169 million (cf. note 22.5).

River barges: the financial fixed assets include a collateral deposit of €117,000 ($148,000) related to a long-term operational lease contract for 50 barges.

The miscellaneous financial fixed assets include €337,000 in respect of a withholding to secure loans contracted with the GITT (Transport and Tourism Industries Group), as well as miscellaneous deposits.

15. Breakdown of trade debtors by activity

(€ thousands)	31.12.2003			31.12.2002			31.12.2001		
	Gross value	Provision	Net value	Gross brute	Provision	Net value	Gross brute	Provision	Net value
Shipping containers	10,458	(3,279)	7,179	13,517	(3,327)	10,190	17,740	(5,358)	12,382
Modular buildings	8,820	(414)	8,406	11,067	(831)	10,236	14,184	(772)	13,412
River barges	5,689	(516)	5,173	6,161	(818)	5,343	5,613	(527)	5,086
Railcars	445		445	540		540	535	0	535
Miscellaneous	27		27	74	(17)	57	103	(27)	76
TOTAL	**25,439**	**(4,209)**	**21,230**	**31,359**	**(4,993)**	**26,366**	**38,175**	**(6,684)**	**31,491**

16. Other receivables

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Non-trade receivables	7,382	6,561	7,461
Other receivables	2,612	5,122	70,845
Unpaid called subscribed capital			700
Subtotal - operating receivables	**9,994**	**11,683**	**79,006**
Prepaid expenses	1,033	1,296	1,119
Deferred charges	1,937	2,601	3,268
Deferred tax asset	3,562	1,090	1,955
TOTAL	**16,526**	**16,670**	**85,348**

As at 31 December 2001, the other receivables included an amount of €65,060,000 in respect of the finalization of Trust 2001. This amount was settled in February 2002 at the same time as the associated debt (cf. note 21).

The non-trade receivables include mainly:
- amounts due from the Government (€3 million),
- deferred commissions from GIE Modul Finance I (€1 million).

The deferred charges are made up as follows:
- Shipping containers: €1,715,000 formation expenses for Trust 2001 spread over 10 years (life of the trust).
- Modular buildings: €222,000, including €92,000 of business acquisition costs spread over five years and €130,000 of preparation costs for a number of modular structures spread over the estimated life of the lease contracts (three years).

Deferred tax assets and liabilities are compensated by fiscal entities. They are made up as follows:

(€ thousands)	Deferred tax assets	Deferred tax liabilities	Assets (*cf.* note 16)	Liabilities (*cf.* note 21)
TOUAX Corp. Group	12,451	8,956	3,495	
South America	63	76		(13)
Europe	3,548	4,211	67	(730)
TOTAL	**16,062**	**13,243**	**3,562**	**(743)**

The deferred tax assets recorded in the United States in respect of tax losses available for carry forward comprise €8,956,000 of deferred tax liabilities and €3,495,000 in respect of future tax deductions in accordance with accounting principles generally accepted in France.

The analysis of the deferred tax assets and liabilities is as follows:

(€ thousands)	2003
Timing differences	(10,451)
Tax losses carried forward	(13,270)
TOTAL	**2,819**

Notes to the consolidated balance sheet

LIABILITIES

17. Shareholders' equity

As at 31 December 2003 the group's share capital consisted of 2,838,127 shares of a par value of €8.

Change in shareholders' equity	Number of shares	Capital	Consolidated premiums and reserves	Income	Total Group share
Situation as at 31 December 2000	**2,365,106**	**18,028**	**35,337**	**2,023**	**55,388**
Net income for the year				2,923	2,923
Previous net income			2,023	(2,023)	0
Dividends paid during the year			(2,030)		(2,030)
Capital increase	473,021	4,677	(4,677)		0
Translation difference			1,452		1,452
Change in Group structure			226		226
Miscellaneous			(517)		(517)
Situation as at 31 December 2001	**2,838,127**	**22,705**	**31,814**	**2,923**	**57,442**
Net income				2,515	2,515
Previous net income			2,923	(2,923)	0
Dividends paid during the year			(2,205)		(2,205)
Translation difference			(6,008)		(6,008)
Change in Group structure			(415)		(415)
Miscellaneous			(11)		(11)
Situation as at 31 December 2002	**2,838,127**	**22,705**	**26,098**	**2,515**	**51,318**
Income				2,569	2,569
Previous net income			2,515	(2,515)	0
Dividends paid during the year			(1,703)		(1,703)
Translation difference			(5,983)		(5,983)
Change in Group structure			(156)		(156)
Miscellaneous			(11)		(11)
Situation as at 31 December 2003	**2,838,127**	**22,705**	**20,760**	**2,569**	**46,034**

The change in the translation difference in 2003 is explained by the currency effect:

- on the net opening position in an amount of €5,461,000, including €4,983,000 from the fall in the value of the dollar (TOUAX Corp. group),
- on the translation of the income for the year (difference between the average rate and the closing rate) in an amount of €257,000, including €291,000 from the fall in the value of the dollar (TOUAX Corp group).

The change in the structure of the consolidated group is largely explained by the sale of EUROKOR BARGING BVBA, a river transportation company and 50% subsidiary of EUROBULK BELGIUM BVBA (negative impact of €163,000).

18. Provisions for liabilities and charges

18.1. Provisions for liabilities and charges

(euro '000)	01.01.2003	Allocation	Reversal	31.12.2003
Provisions for contingencies	220	20	(12)	228
Provisions for liabilities	117	31		148
TOTAL	**337**	**51**	**(12)**	**376**

The provisions for liabilities have been created to cover the following risks:

- Risk of irrecoverability of the advance payment made to a Romanian shipbuilder for the construction of the TAF 808 barge: provision created in 1998 and 1999. As at 31 December 2003 the provision stands at €144,000,
- Risk relating to labor disputes of €84,000 created in 2002 (€64,000) and 2003 (€20,000).

The provisions for charges as at 31 December 2003 consist of:

- €71,000 corresponding to a provision for overhauling barges under management in the Netherlands.

– €77,000 corresponding to provisions for pension commitments.

The Group does not apply the preferential method set out in CRC regulations 99-02 ff. relating to accounting for pensions and similar liabilities.

An estimate made in accordance with the preferential method reveals a pension liability of €232,194. It should be noted, however, that no indexation of the amounts has been calculated and that the estimated liability only covers the personnel of the French companies.

The other Group companies do not have any significant liability; either these subsidiaries effect insurances for departing personnel, or the number of employees is insignificant, or the sums payable are insignificant (particularly in Romania).

The calculations are carried out on the basis of the following probable staff turnover figures:

– 18 to 25 years	10%
– 25 to 35 years	20%
– 35 to 45 years	30%
– 45 to 55 years	50%
– over 55 years	100%

19. Financial debts

19.1. Analysis by debt category

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Medium-term borrowings	21,732	11,180	16,024
Lease commitments (principal)	33,435	37,608	44,672
Total medium-term debt	**55,167**	**48,788**	**60,696**
Annual revolving credit	19,751	27,896	31,947
Bank current accounts and similar accounts	4,849	5,129	10,340
Total revolving credit and overdrafts	**24,600**	**33,025**	**42,287**
TOTAL	**79,767**	**81,813**	**102,983**

19.2. Analysis of medium-term borrowings and lease commitments (principal) by repayment date

(€ thousands)	Medium-term bank borrowings	Lease commitments	Total as at 31.12.2003
2004	9,470	6,283	15,753
2005	2,538	6,868	9,406
2006	2,571	5,952	8,523
2007	2,523	4,223	6,746
2008	1,761	4,168	5,929
Over 5 years	2,869	5,941	8,810
TOTAL	**21,732**	**33,435**	**55,167**

Covenants have been introduced for four medium-term bank loans. These enable the lenders to demand early repayment if they are breached. In order to comply with these covenants, the borrower must comply with ratios such as shareholders' equity divided by the balance sheet total, consolidated net debt divided by consolidated net worth, etc. The risks of possible early repayment due to breach of covenants are not significant at present (less than 0.2% of total financial debt, which equals €79,767,000).

19.3. Analysis by repayment currencies (medium-term debts and leasing)

(€ thousands)	Medium-term bank borrowings	Lease liabilities	Total as at 31.12.2003
In US dollars	232	5,553	5,785
In euros	21,500	27,882	49,382
TOTAL	**21,732**	**33,435**	**55,167**

Notes to the consolidated balance sheet

19.4. Changes in debt

19.4.1. Consolidated net financial debt

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Financial debt	79,767	81,813	102,983
Investment securities	(111)	(115)	(1,623)
Cash and cash equivalents	(27,414)	(17,296)	(6,438)
Net financial debt	**52,242**	**64,402**	**94,922**

In 2003, the average net financial debt was €64,253,000, against €82,234,000 in 2002.
The breakdown of this financial debt into currencies is as follows:
– US$: 8,967,000
– Euro: 70,800,000

19.4.2. Net debt

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Consolidated net financial debt	52,242	64,402	94,922
Operating liabilities	42,304	49,764	110,790
Stock and operating receivables	(35,556)	(39,660)	(112,257)
Net debt	**58,990**	**74,506**	**93,455**

19.5. Information on interest rates

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Fixed rate debt	22,319	21,870	30,438
Variable rate debt	57,448	59,943	72,545
Financial debts	**79,767**	**81,813**	**102,983**
Average annual interest rate – fixed	6.4%	6.7%	6.7%
Average annual interest rate – variable	3.4%	3.8%	4.3%
Average overall annual interest rate	4.2%	4.6%	5.0%

20. Breakdown of trade creditors by activity

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Shipping containers	16,119	7,558	8,857
Modular buildings	5,563	5,462	7,642
River barges	3,881	3,568	3,898
Railcars	1,023	385	607
Miscellaneous	641	773	772
TOTAL	**27,227**	**17,746**	**21,776**

21. Other debts

(€ thousands)	31.12.2003	31.12.2002	31.12.2001
Debts in respect of fixed assets	250	10,329	1,823
Tax and social security	3,369	3,808	4,866
Other operating liabilities	11,458	13,752	16,810
Other debts		4,130	65,515
Subtotal of operating liabilities	**15,077**	**32,019**	**89,014**
Deferred income	1,677	1,808	2,210
Deferred tax liabilities	743	545	911
TOTAL	**17,497**	**34,372**	**92,135**

In 2002, the debts in respect of fixed assets mainly comprised the investment in railcars during the final quarter. These debts were settled at the beginning of 2003 when they were sold under a management program.

The debt of €65,493,000 due on 31 December 2001 following the finalization of Trust 2001 was settled in February 2002 at the same time as the associated receivable (cf. note 16).

The other operating liabilities mainly comprise operating revenues to be distributed to investors in an amount of €8.8 million.

22. OTHER INFORMATION

22.1. Income statement by activity

(€ thousands)	Shipping containers	Modular buildings	River barges	Railcars	Miscellaneous	Overheads	Total
Lease revenues	40,637	32,860	28,934	4,388	146		106,965
Sales of equipment	49,395	7,490		2,240			59,125
Commissions	57			162			219
Managed equipment program distributions	38		1,313	109			1,460
Total operating revenues	**90,127**	**40,350**	**30,247**	**6,899**	**146**	**0**	**167,769**
Cost of sales	(46,940)	(6,683)		(2,053)			(55,676)
Operating expenses	(10,097)	(17,898)	(25,431)	(2,851)	(31)		(56,308)
Selling, general and administrative expenses	(2,915)	(6,260)	(2,321)	(618)			(12,114)
Overheads						(2,878)	(2,878)
Capital gains on disposals	(158)	2,060	109	472	(195)	2	2,290
EBITDA	**30,017**	**11,569**	**2,604**	**1,849**	**(80)**	**(2,876)**	**43,083**
Depreciation and amortization	(1,186)	(4,234)	(2,400)	(152)	(54)	(62)	(8,088)
Operating income	**28,831**	**7,335**	**204**	**1,697**	**(134)**	**(2,938)**	**34,995**
Revenues due to investors	(25,867)	(3,633)	(696)	(684)			(30,880)
Operating income after distribution	**2,964**	**3,702**	**(492)**	**1,013**	**(134)**	**(2,938)**	**4,115**

22.2. Liabilities and risks

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

Non-capitalized simple lease contracts (cf. note 22.2.2)

(€ thousands)	Total	< 1 yr	1 to 5 yrs	> 5 years
Simple leases with recourse	7,214	1,209	4,504	1,501
Simple leases without recourse against the Group	23,479	3,571	14,182	5,726
TOTAL	**30,693**	**4,780**	**18,686**	**7,227**

Other liabilities

(€ thousands)	Total	≤ 1 yr	1 to 5 yrs	> 5 yrs
Letters of credit	1,005		594	411
Guarantees	8,848			8,848
Other commercial liabilities	2,049	2,049		
TOTAL	**11,902**	**2,049**	**594**	**9,259**

Letters of credit and guaranties are recorded in the balance sheet.

Notes to the consolidated balance sheet

22.2.1. Confirmed orders for equipment

As at 31 December 2003, TOUAX SA and its subsidiaries were committed to firm orders for equipment and other investments for a total amount of €2.049 million. Financing is assured by available lines of credit.

22.2.2. Non-capitalized simple lease contracts

As at 31 December 2003, the future rentals to be paid on simple irrevocable lease contracts were as follows.

Simple lease contracts with recourse

(€ thousands)	Shipping containers	River barges	Total as at 31.12.2003	Residual value
2004	83	1,126	1,209	
2005		1,126	1,126	
2006		1,126	1,126	
2007		1,126	1,126	
2008		1,126	1,126	
After 2008		1,501	1,501	1,315
TOTAL	**83**	**7,131**	**7,214**	**1,315**
Amounts taken as charges during the year	**165**	**1,126**	**1,291**	

Without recourse against the Group

(€ thousands)	Shipping containers	Modular buildings	Railcars	Total as at 31.12.2003	Residual value
2004	2,253	31	1,287	3,571	
2005	2,253	22	1,287	3,562	3
2006	2,253		1,287	3,540	
2007	2,253		1,287	3,540	
2008	2,253		1,287	3,540	
After 2008	470		5,256	5,726	1,225
TOTAL	**11,735**	**53**	**11,691**	**23,479**	**1,228**
Amounts taken as charges in the year	**1,994**	**358**	**1,240**	**3,592**	

Without recourse against the Group: the Group's obligation to make leasing payments to financial establishments is suspended when subleasing customers do not meet their own contractual payment obligations.

22.2.3. Outstanding events and disputes

In several countries in which TOUAX SA and its subsidiaries operate, the tax returns for financial periods that have not lapsed may be inspected by the competent authorities. The Board of Directors of TOUAX SA considers that there is currently no dispute or arbitration that is liable to have a significant impact on the financial situation of TOUAX SA and its subsidiaries, their business activities or their results.

22.2.4. Hedging of interest rate and foreign exchange risks

In 2003, TOUAX SA and its subsidiaries used financial instruments to hedge foreign exchange and interest rate risks for certain transactions.

With regard to foreign exchange risk, the loans contracted in foreign currencies relate generally to investments which generate revenues in the same currency and which are allocated to servicing the corresponding debt. The group does nevertheless have a loan denominated in euros for underlying assets denominated in US dollars. In order to limit the impact of the fall in the value of the dollar on this debt, on 30 January 2003 the group acquired an option to purchase euros and sell US dollars in order to hedge the exchange rate risk (at a rate of €1 = $1.0755 in an amount of €0.3 million expiring on 30 June 2003 and at a rate of €1 = $1.0755 in an amount of €1.1 million expiring on 31 December 2003).

With regard to the interest rate risk, the group has entered into interest rate swaps in order to reduce the group's sensitivity to rises in short-term rates. These rate hedging operations enable the group to reduce its sensitivity to rises in interest rates from 15% to 11% thanks to four interest rate swaps: three relating to loans denominated in euros and the fourth relating to a debt in US dollars. Before these derivative interest rate products were acquired, the debt breakdown was 72% variable rate and 28% fixed rate; after these operations the fixed rate debt represents 43% of total debts and variable rate debt 57%. This breakdown could be modified once again if monetary events justify it.

The off balance sheet financial instruments were as follows on 31 December 2003:

(€ thousands)	Nominal amount	Interest rates		Maturity date	
		minimum	maximum	minimum	maximum
Rate swaps - borrower fixed rate / lender variable rate	11,570	3.15%	3.85%	1/04/08	28/12/10

FINANCIAL DEBT – INTEREST RATE RISK

(€ thousands)	As at 31 December 2003	
	Amount before hedging operations	Amount after hedging operations
Euro – fixed rate	19,458	28,213
Euro – variable rate	51,357	42,602
Dollar – fixed rate	2,861	5,777
Dollar – variable rate	6,091	3,175
Total – fixed rate	**22,319**	**33,990**
Total – variable rate	**57,448**	**45,777**
TOTAL	**79,767**	**79,767**

22.2.5. Collateral provided

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

(euro '000)	2003					2002
	Year of origin	Maturity	Secured assets	Total of balance sheet item	%	
Mortgages (river barges)			**14,599**	**33,712**	**43.3%**	**20,931**
	1997	2004	281			
	1997	2008	1,408			
	1998	2003	1,622			
	1999	2009	2,313			
	2002	2009	1,197			
	2002	2012	2,810			
	2003	2008	635			
	2003	2013	4,333			
Real estate mortgages	1996	2004	**876**	**4,169**	**21.01%**	**876**
Pledging of tangible assets (modular buildings)			**5,156**	**62,813**	**8.20%**	**6,649**
	1999	2006	356			
	2001	2007	4,800			
Pledging of financial assets (deposits given as security)			**9,852**	**12,251**	**80.40%**	**11,502**
Modular buildings						
	1997	2010	2,507			
Shipping containers						
	1996	2007	594			
	1998	2009	3,932			
	2001	2012	2,819			
TOTAL			**30,483**	**112,945**	**27.00%**	**39,958**

Notes to the consolidated balance sheet

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

22.2.6. Guarantees

The guarantees are detailed in the special report of the auditors. These guarantees are provided by the parent company in respect of bank facilities utilized by the subsidiaries.

22.3. Additional information relating to leasing (capitalized)

(€ thousands)	Land	Equipment leasing	Total as at 31.12.2003
ORIGINAL VALUE	1,979	51,393	53,372
Depreciation and amortization for the year		2,120	2,120
ACCUMULATED DEPRECIATION & AMORTIZATION		7,676	7,676

(euro '000)	Charges remaining payable			
	Land	Lease equipment	Total as at 31.12.2003	Residual value
2004	263	7,453	7,716	2
2005	263	6,763	7,026	622
2006	263	6,009	6,272	348
2007	87	4,288	4,375	112
2008	87	3,632	3,719	104
Over 5 years	173	4,869	5,042	951
TOTAL	**1,136**	**33,014**	**34,150**	**2,139**
AMOUNT CHARGED DURING THE YEAR (depreciation and amortization & financial expenses)	**90**	**4,416**	**4,506**	

22.4. Staff numbers by activity

	31.12.2003	31.12.2002	31.12.2001
Shipping containers			
– International	19	22	23
Modular buildings			
– France	74	78	77
– Germany	21	28	28
– United States	32	22	28
– Benelux	15	11	22
– Spain	6	10	6
– Poland	10	9	
River barges			
– France	1	1	3
– Romania	60	67	74
– Netherlands	15	27	34
– South America			18
Railcars			
– France, Ireland and Romania	3	3	3
General management and central services	**23**	**21**	**27**
TOTAL	**279**	**299**	**343**

The company does not publish a social report.

Policy on personnel profit-sharing

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

22.5 Additional information on GIE Modul Finance I

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

The GIE Modul Finance I investment was financed as follows:

– by issuing redeemable subordinated securities with a total value of €10.5m, 90% of which were underwritten by an institutional investor and 10% by TOUAX SA,

– by contracting a senior loan of €32.6m, repayable over 10 years, remunerated at 3-month Euribor + 1.8%.

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

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

– issue of redeemable subordinated securities with a value of €4.5 million, entirely underwritten by an institutional investor,

– contracting a senior loan of €28.2 million, repayable over 10.75 years, with a residual value of €9.1 million. This senior debt bears interest at 3-month EURIBOR + 1.475%. The senior rate guarantee signed by GIE Modul Finance I and financed from the senior loan sets the maximum rate of the senior debt at 5%.

– contracting a junior loan of €8.9 million, repayable over 11.75 years, with a residual value of €2.28 million. This junior debt bears interest at 3-month EURIBOR + 2.425%. The junior rate guarantee signed by GIE Modul Finance I and financed from the junior loan sets the maximum rate of the junior debt at 5%.

– opening of a deposit account of €0.8 million endowed by TOUAX SA.

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

SENIOR AND JUNIOR DEBT REPAYMENT SCHEDULES (€ thousands)

Dates	Annual redemption of the principal of the SENIOR DEBT	Annual redemption of the principal of the JUNIOR DEBT
2004	1,722	522
2005	1,833	561
2006	1,952	602
2007	2,078	647
2008	2,213	695
2009	2,357	746
2010		802

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

The proceeds from the sale of equipment will be used to:
– pay the residual value of the senior debt as at 31 December 2009: €9.14 million.
– pay the residual value of the junior debt as at 31 December 2010: €2.28 million.
– pay holders of redeemable subordinated securities, in the final year of the contract, a cash flow in addition to the payments received since 31 March 2001, up to a maximum annual actuarial yield of 10%. The surplus income from the disposal of the modular buildings will then be divided between the Group and the arrangers of the renegotiated debt in a proportion of 95% for the Group and 5% for the arrangers.

Notes to the consolidated balance sheet

GIE Modul Finance I is authorized to terminate the management contract early in the event of failure to pay in full or in part an installment of the senior and junior debt repayment schedule due to inadequate distributable net rental income.
Should GIE Modul Finance I default, the lenders may decide to sell the equipment or change operators.

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

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Lease revenues of equipment belonging to the GIE	7,158	8,489	9,631
In consolidated revenues	**7,158**	**8,489**	**9,631**
Operating expenses on equipment belonging to the GIE	(2,863)	(3,396)	(3,852)
In purchases and other consolidated external expenses	**(2,863)**	**(3,396)**	**(3,852)**
Net lease revenues due to consolidated investors	(2,852)	(3,367)	(3,816)
In lease revenues due to consolidated investors	**(2,852)**	**(3,367)**	**(3,816)**
In consolidated operating income	**1,443**	**1,726**	**1,963**
In consolidated pretax income	**1,443**	**1,726**	**1,963**

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Collateral deposit	2,507	2,656	2,728
Loan to the GIE	662	477	356
In consolidated financial fixed assets	**3,169**	**3,133**	**3,084**
Deferred payment	915	597	0
In consolidated operating receivables	**915**	**597**	**0**
In consolidated assets	**4,084**	**3,730**	**3,084**
Net lease revenue due to the GIE (4th quarter)	670	820	990
In consolidated operating liabilities	**670**	**820**	**990**
In consolidated liabilities	**670**	**820**	**990**

22.6 Additional information on the TCLRT Trust 95

TOUAX Container Lease Receivables Trust 95 is the first asset-backed securitization program carried out by the Group to develop the operational leasing of shipping containers. The Trust is a legal entity subject to US law and was created specifically to own containers. The Trust purchases containers from the Group and then entrusts their management to TOUAX/Gold Container Corp., under a management contract valid for 12 years. The Trust financed the purchase of these containers ($37.2m representing 11,571 TEU on 31 December 2003) by the issue of certificates ($6.7 million of equity, including $0.665 million provided by the Group) and by contracting a senior loan with a US pension fund of $32.4 million, redeemable over a maximum period of 12 years and remunerated at a fixed rate of 9.125%. Consequently, the containers belong to the Trust, as does the corresponding debt. The Group's management of these containers generates a quarterly "distributable net income" paid to the Trust, which uses this amount as a priority to service its debt. Should the

Trust fail to meet the redemption schedule for the debt, it shall be in default and may decide to sell the containers or change operator. The Group has no obligation either to buy back the equipment or to repay the debt.

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

REDEMPTION SCHEDULE OF THE TRUST DEBT

Date	Payment dates	Minimum accumulated redemption	Balance repayable (in thousands of dollars)
28.06.1996	Closing date		32,400
28.06.2001	5th anniversary	5,000	27,400
28.06.2004	8th anniversary	13,500	18,900
28.06.2006	10th anniversary	22,500	9,900
15.12.2007	Maturity date	32,400	0

Financial expenses must be settled by the Trust each quarter.

At December 31st 2003, the Trust has reimbursed $ 2.494 millions of the debt. Trust 95 has underperformed due to the deflation in the shipping container business over the last ten years. The Trust therefore does not respect the provided debt redemption schedule. The senior debt has reserved its rights to the contractual agreements.

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Lease revenues of equipment belonging to the Trust	3,863	3,695	4,259
Trust start-up commission (1)	0	0	(13)
In consolidated revenues	**3,863**	**3,695**	**4,246**
Operating expenses on equipment belonging to the Trust (2)	(721)	(1,270)	(1,260)
Trust formation expenses (3)	0	0	0
In purchases and other consolidated external expenses	**(721)**	**(1,270)**	**(1,260)**
Distributions to the Trust (4)	(2,979)	(2,131)	(2,634)
In lease revenues due to consolidated investors	(2,979)	(2,131)	(2,634)
In consolidated operating income	**163**	**294**	**352**
In consolidated financial expenses	0	0	(285)
In the consolidated financial result	**0**	**0**	**(285)**
In consolidated pretax income	**163**	**294**	**67**

Notes to the consolidated balance sheet

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Holding in Trust 9.87% (5)	0	0	0
Collateral deposit (6)	594	715	852
Subordinated advance on payment (7)	408	492	585
Advance for excess operating charges 23% (8)	0	0	0
Consolidated long-term investments	**1,002**	**1,207**	**1,437**
Other operating receivables	4	0	0
In consolidated assets	**1,006**	**1,207**	**1,437**
Lease revenues due to the Trust (9)	324	532	1,433
Revenues from total loss due to the Trust (10)	94	126	288
Revenues from sales of containers due to the Trust (10)	8	68	0
Other debts	418	504	599
In consolidated operating liabilities	**844**	**1,230**	**2,320**
In consolidated liabilities	**844**	**1,230**	**2,320**

(1) The commission corresponds to a flat-rate fee that covers the marking, inspection and transportation of containers to their first rental location. The corresponding charge is recorded under operating charges, general overheads and central services. The negative commission recorded in 2001 was due to an insignificant accounting reclassification.

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

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

(4) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to €163,000 in 2003.

(5) The Group's participation in Trust 95 is 9.87%. This investment was fully provisioned at 31 December 2000 in an amount of €725,000 ($665,000). The purpose of this provision is to cover the risk of non-repayment of the capital after full repayment of the debt, including the principal and interest, and the advances.

(6) The Group deposited the sum of $750,000 with a French bank as a counterguarantee in respect of the guarantee granted by the bank to cover the risk of failure to transfer the revenues received by the Group on behalf of the Trust, which would not be distributed each quarter to investors should the Group default.

(7) Quarterly revenues are paid to the Trust 105 days after the end of the period. To cover this time lag, the Group has granted a permanent advance of $516,000. The principal of this advance has been entered as a provision in the accounts of Gold Container Corp. It is repayable at the end of the life of the Trust in 2008 after the final distribution to investors. This advance bears interest at a rate of 9.65%. Interest is paid to the Trust and may be refunded to the Group by the Trust at the end of its life. Up to 30 June 2001, interest was recorded in the Group's balance sheet. Accumulated interest at 30 June 2001 totaled $255,000, which was offset in full by financial expenses. Since that date, no additional interest has been recorded in the Group's balance sheet.

(8) The Group has undertaken to maintain operating costs below 23% of lease revenues. If this threshold is breached, the Group must pay the difference to the Trust. Up to 30 June 2001, the advances were recorded in the Group's balance sheet. On 30 June 2001, these advances amounted to $992,000, which were recorded in full as irrecoverable losses. Since this date, no additional advances have been recorded in the Group's balance sheet.

(9) Lease revenues correspond to net revenues due to the Trust on 31 December of each year. With effect from the first quarter of 2002, the Group has paid to the Trust monthly installments against future distributions. This explains the decrease in net revenues due at the end of 2002.

(10) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received. These revenues were zero in 2001.

22.7 Additional information on the TCLRT Trust 98

On 16 December 1998, the Group carried out a second asset-backed securitization program with regard to shipping containers, in the form of a Trust registered in Delaware in the United States, known as "TOUAX Container Lease Receivables Trust TCLRT 98". This Trust was financed entirely by non-Group investors (Indenture Agreement) through the issue of senior debt (notes) and subordinated debt (certificates) to finance the purchase of shipping containers for a total value of $40.40 million. They are serviced (operated and managed) by the Group under a management contract (Sale and Servicing Agreement) for a minimum term of 10 years.

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

As at 31 December 2003, the Trust's fleet comprised 14,851 containers (7,525 Dry Cargo 20', 5,636 Dry Cargo 40' and 1,690 High Cube 40') representing an investment of $37.8 million, corresponding to 19,697 TEU.

Apart from the $5.54 million advanced by the Group, the Trust's balance sheet as at 31 December 2003 included senior debt (notes) of $28.2 million with a fixed interest rate of 5.94% excluding insurance, and subordinated debt (certificates) of $5.8 million bearing interest at 8.03%. The total amount is repayable over five years (possible extension of two years) by means of net revenues distributed by the Group to the Trust according to the conditions set out in the Master Lease Agreement and the Sales and Servicing Agreement. The Trust has also effected an insurance policy (Insurance and Repayment Agreement) to guarantee the payment of interest and principal payable on the senior debt by the Trust to its investors (the "note holders").

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

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

REDEMPTION SCHEDULE FOR THE TRUST'S SENIOR DEBT:

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

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

REDEMPTION SCHEDULE OF THE TRUST'S JUNIOR DEBT:

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

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

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Revenues from lease of equipment belonging to the Trust	4,378	5,937	5,854
Trust start-up commission (1)	0	0	0
In consolidated revenues	**4,378**	**5,937**	**5,854**
Operating expenses on equipment belonging to the Trust (2)	(1,169)	(2,072)	(3,066)
Trust formation expenses (3)	0	0	0
In purchases and other consolidated external expenses	**(1,169)**	**(2,072)**	**(3,066)**
Distributions made to the Trust (4)	(2,844)	(3,440)	(2,265)
In lease revenues due to consolidated investors	**(2,844)**	**(3,440)**	**(2,265)**
In consolidated operating income	**365**	**425**	**523**
In consolidated pretax income	**365**	**425**	**523**

Notes to the consolidated balance sheet

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2003	31.12.2002	31.12.2001
Collateral deposit (5)	3,932	4,740	5,649
Subordinated advance against distribution (6)	388	467	556
Advance for excess operating charges (7)	57	68	81
In consolidated financial fixed assets	**4,377**	**5,275**	**6,286**
Other operating receivables (8)	5	0	0
In consolidated assets	**4,382**	**5,275**	**6,286**
Lease revenues due to the Trust (9)	602	780	1,458
Revenues from Total loss due to the Trust	261	96	1,164
Sales revenues from Trust's containers (10)	29	23	0
In consolidated operating liabilities	**892**	**899**	**2,622**
In consolidated liabilities	**892**	**899**	**2,622**

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

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

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

(4) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to €365,000 in 2003.

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

(6) An exceptional repayable advance of $490,000 was also granted by the group to the Trust in June 2001.

(7) The Group has undertaken to maintain operating costs below a specified reference threshold. If this threshold is breached, the Group must pay the difference to the Trust. These advances become repayable when the Trust's available cash flow allows it after the payment dates in the debt redemption schedule have been respected. These advances amounted to $72,000 as at 31 December 2003.

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

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

(10) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received. These revenues were zero in 2001.

22.8 Additional information on the TLR Trust 2001

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

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

As at 31 December 2003 the fleet belonging to the Trust comprised 20,284 containers (8,519 20' Dry Cargo, 5,643 40' Dry Cargo and 6,122 40' High Cube) representing an investment of $47.3 million corresponding to 28,237 TEU, as well as 148 railcars of an original value of $8.9 million.

In addition to the $3.5 million advanced by the Group, the accounts of Trust 2001 included senior debt (notes) of $35.7 million and equity of $19.4 million.

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

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

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

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	**31.12.2003**	**31.12.2002**	**31.12.2001**
Revenues from lease of equipment belonging to the Trust	6,399	7,693	8,730
Trust start-up commission (1)	0	0	128
In consolidated revenues	**6,399**	**7,693**	**8,858**
Operating expenses on equipment belonging to the Trust (2)	(941)	(1,601)	(2,198)
Purchases and other consolidated external expenses	**(941)**	**(1,601)**	**(2,198)**
Distributions made to the Trust (3)	(4,876)	(5,416)	(5,785)
Lease revenues due to consolidated investors	**(4,876)**	**(5,416)**	**(5,785)**
In consolidated operating income	**582**	**676**	**875**
In consolidated pretax income	**582**	**676**	**875**

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	**31.12.2003**	**31.12.2002**	**31.12.2001**
Liquidity reserves (4)	2,819	3,389	15,376
Equity securities	0	0	0
Other Trust 2001 receivables (5)	0	0	66,410
In financial fixed assets	**2,819**	**3,389**	**81,786**
Other operating receivables (6)	4	0	0
In consolidated ASSETS	**2,823**	**3,389**	**81,786**
Lease revenues due to the Trust (6)	878	1,229	1,771
Revenues from total loss due to the Trust	37	90	994
Revenues from sales of containers (7)	31	47	0
Other Trust 2000 liabilities (5)	0	0	65,493
In consolidated operating liabilities	**946**	**1,366**	**68,258**
In consolidated liabilities	**946**	**1,366**	**68,258**

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

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

(3) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to €582,000 in 2003.

(4) After the creation of Trust 2001, the collateral deposits set up on behalf of Trust 2000 were released in 2002. The collateral deposits set up for Trust 2001 total $3 million. This item also includes the letter of credit in an amount of $520,000 issued by TOUAX SA in favor of Trust 2001, secured by a deposit lodged in a bank account, repayable at the end of the Trust's life.

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

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

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

(8) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received. These revenues were zero in 2001.

Notes to the consolidated balance sheet

22.9. Investment policy

The Group's activities involve the operational leasing of mobile and standardized equipment, shipping containers, modular buildings, river barges and railcars. Investments in this equipment must be made in order to lease it. The Group also carried out complementary activities, namely management for third-party investors. Three-quarters of assets under group management are financed by investors and entrusted to the Group for management within its management contracts. The Group's growth policy is based on attracting private investors to finance the Group's management programs, and on investment of its own assets in leasing equipment.

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

Assets sales to investors is part of the Group strategy to grow without recourse to investment. The growth helps to achieve economies of scale which in turn increase margins.

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

NET INVESTMENTS DURING FINANCIAL YEARS

(€ thousands)	2001	2002	2003
Net intangible investments	418	72	53
Net tangible investments	1,623	(4,305)	(9,987)
Net financial investments	28	(10,561)	(216)
Total Net investments	**2,069**	**(14,794)**	**(10,150)**

NET INVESTMENTS BREAKDOWN BY BUSINESS

(€ thousands)	2001	2002	2003
Shipping containers	(3,728)	(9,954)	(1,170)
Modular buildings	16,702	491	(4,049)
River barges	(4,571)	(6,086)	1,408
Railcars	(6,554)	756	(6,009)
Miscellaneous	220	(1)	(330)
Total	**2,069**	**(14,794)**	**(10,150)**

NET INVESTMENT FINANCING TERMS

(€ thousands)	2001	2002	2003
Treseary/loans	5,948	(10,566)	3,600
Leasing	7,245	(4,228)	2,161
Management programs	(11,124)		(15,911)
Total	**2,069**	**(14,794)**	**(10,150)**

Investments in process correspond to firm commercial commitments mentioned in the paragraph liabilities and risks – other liabilities. They concern the river barges activity and stand at € 2 million.

22.10. Remuneration of company officers

Remuneration of company officers: €625,000

Report of the auditors

Consolidated financial statements

For the period to 31 December 2003

In performing the duty entrusted to us by your Annual General Meeting, we have conducted an audit of the consolidated financial statements of TOUAX in respect of the financial year ending on 31 December 2003, as appended to the present report.

The consolidated financial statements were drawn up by the Board of Directors. Our duty is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

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

We certify that the consolidated financial statements, prepared in accordance with French accounting principles, are honest and fair and give a true view of the assets, financial situation and results of all the companies included in the consolidation.

2. Justification of our assessment

In accordance with the provisions of article L. 225-235 of the Commercial Code relating to the justification of our assessment, as introduced by the Financial Security Act of 1 August 2003 and applicable for the first time during the current financial year, we bring to your attention the following:

On the closing date of these accounts the TOUAX group management carried out estimates and formulated assumptions relating principally to the valuation of fixed assets (goodwill, tangible fixed assets, amounts receivable from Trusts and GIE Modul 1) and deferred tax assets. These items have been subjected to valuation tests principally on the basis of cash flow forecasts drawn up by the management of the group.

We have assessed the validity of the methodology used, examined as necessary the documentation prepared in this regard and reviewed the calculations carried out by the company.We have assessed also informations belonging to these balance sheet items mentioned in the notes to the consolidated accounts (notes 1.2, 11, 14.2 et 16). We have assessed on this basis, to the reasonableness of the estimates made.

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

3. Specific verification

We have also verified the information provided in a report on the management of the group. We have no observations to make with regard to its fairness and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, June 1st 2004

The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIES
Paul NAÏM

General information on the company

Corporate name

TOUAX SA
SGTR – CITE – CMTE – TAF – SLM
TOUAGE INVESTISSEMENT combined

Registered office and administrative head office

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

Identification

Company and Commercial Register:
Nanterre B 305 729 352
Siret number: 305 729 352 00099
APE: 741 J

Legal form

Société anonyme (limited company) with a board of directors

Date of incorporation and duration

The company was incorporated in 1898 and will be wound up on 31 December 2045.

Financial year

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

Share capital

The company's capital is composed of 2,838,127 shares of a par value of €8.
The capital is fully paid up.

Governing legislation

Limited company governed by the Commercial Code, the Decree of 23 March 1967 and subsequent legislation on commercial companies.

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

Documents relating to TOUAX SA may be consulted at the company's head office.

Information policy

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

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

The annual reports and newsletters are available in French and English on the company's website (www.touax.com).

Important news which could have an impact on the market price appear systematically in the press.

Parties responsible for financial information

TOUAX SA

Raphaël WALEWSKI
Tour Arago, 5 rue Bellini
92806 Puteaux – La Défense – FRANCE
Tel.: +33 1 46 96 18 00
Fax: +33 1 46 96 18 18
e-mail: rwalewski@touax.com

ACTUS

Nicole ROFFÉ
11, rue Quentin Bauchart
75008 Paris – FRANCE
Tel.: +33 1 53 67 35 74
Fax: +33 1 53 67 36 37
e-mail: nroffe@actus.fr

Stock specialist

AUREL LEVEN Securities
Washington Plaza – 29, rue de Berri
75408 Paris CEDEX 08
Tel: +33 1 53 89 53 89

Provisions of the articles of association

Corporate purpose (article 3)

The purpose of the company in all countries is notably:

- The operation of push-towing, towage and haulage services on all navigable waterways;

- The operation of any or all enterprises and the performance of any and all works relating to transportation on any river, sea, land or air routes;

- The building, fitting out, chartering, purchase, lease, sale and operation of any or all equipment relating to the above-mentioned means of transportation;

- The operation of hydraulic forces, production, use, transmission and trading in electrical energy and the operation of any establishment relating thereto;

- The acquisition of holdings in any or all enterprises of an identical, similar or connected nature whether by the formation of new companies, contributions of assets, subscriptions or purchases of securities or entitlements in such enterprises, mergers, associations, or in any other way;

- The acquisition, obtaining and disposal of any or all patents, additions and licenses relating to any patents or processes of whatever kind;

- The participation in whatever form in any or all industrial, financial and commercial companies, all companies dealing in property whether real or movable, all tourist companies, whether in existence now or to be founded in the future, both in France and abroad;

- The acquisition and operation, construction and improvement by any means of all forms of land and buildings;

- The design, construction, fitting out, repair, purchase, sale, direct or indirect operation, rental or leasing of modular and industrially manufactured constructions and of any or all mobile and transportable equipment;

- Generally speaking, any or all commercial, industrial and financial operations involving property both movable and immovable, able to be associated directly or indirectly with the above-mentioned purposes which may further the development of the company's business.

Provisions of the articles of association relating to the appropriation of income

(article 49)

From the net income for the fiscal year, where applicable less prior period losses, there shall be deducted 5% at least to be appropriated to the legal reserve if the latter does not amount to one-tenth of the share capital. From the remainder, where applicable with the addition of retained earnings, the General Meeting, on the proposal of the Board of Directors, shall be entitled to withdraw any sum that it deems fit for appropriation to one or more exceptional, general or special reserve funds or for the redemption of capital. The balance, if any, shall be distributed among shareholders after deduction of retained earnings.

Directors (extract from article 18)

The directors' term of office is set at one year. Every Board member must hold at least 100 registered shares. The directors have three months from the date of their appointment in which to comply with the provisions of the articles of association.

General Meetings

(extract from articles 30, 31 and 33)

General Meetings of Shareholders shall be convened and shall deliberate under the conditions set out in the legislation in force.

Meetings shall take place either at the company's headquarters or at any other place specified in the notice of meeting.

All shareholders shall be entitled to attend and participate in the General Meetings, either in person or by proxy, irrespective of the number of shares held, subject to the conditions set out in the legislation in force.

Holders of registered shares will receive a notice of meeting directly from the company.

Voting rights

(extract from article 33, final paragraph)

In accordance with the legal provisions, double voting rights shall be granted in respect of all fully paid-up shares which were demonstrably subscribed in registered form at least five years previously and, in the event of a capital increase by way of incorporation of reserves, profits or issue premiums, to registered shares issued free of charge to a shareholder on the basis of existing shares for which he benefits from such right.

Identifiable bearer shares

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

Amendments to the articles of association

The Extraordinary General Meeting held on 21 November 2002, noting that the law no. 2001-420 of 15 May 2001 relating to new financial regulations had amended certain legal and regulatory provisions of company law, resolved to amend the articles of association in order to align them with the regulations.

No amendment of articles of association took place in 2003.

Ownership level

Shareholders are required by law to disclose ownership above the legal limits.

Parent-subsidiary relationships

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

There is no operational dependency between the companies of the Group. The main results of the subsidiaries are presented in the management report by geographical area.

Each subsidiary owns its own assets for leasing and sale. TOUAX SA made no acquisitions in 2003 and has made no acquisition since the end of 2003.
An organigram of the Group appears in the section entitled "organigram of the Group", and a list of subsidiaries appears in the section entitled "Notes to the consolidated accounts".

The functions of the directors of TOUAX SA in the subsidiaries of the Group are stated in the section entitled "Management bodies". The financial presentation of the Group is provided in the section entitled "Editorial".

The cash flows between TOUAX SA and its subsidiaries are detailed in the special report of the auditors in the section entitled "Report of the Auditors" (cf. original document in French).

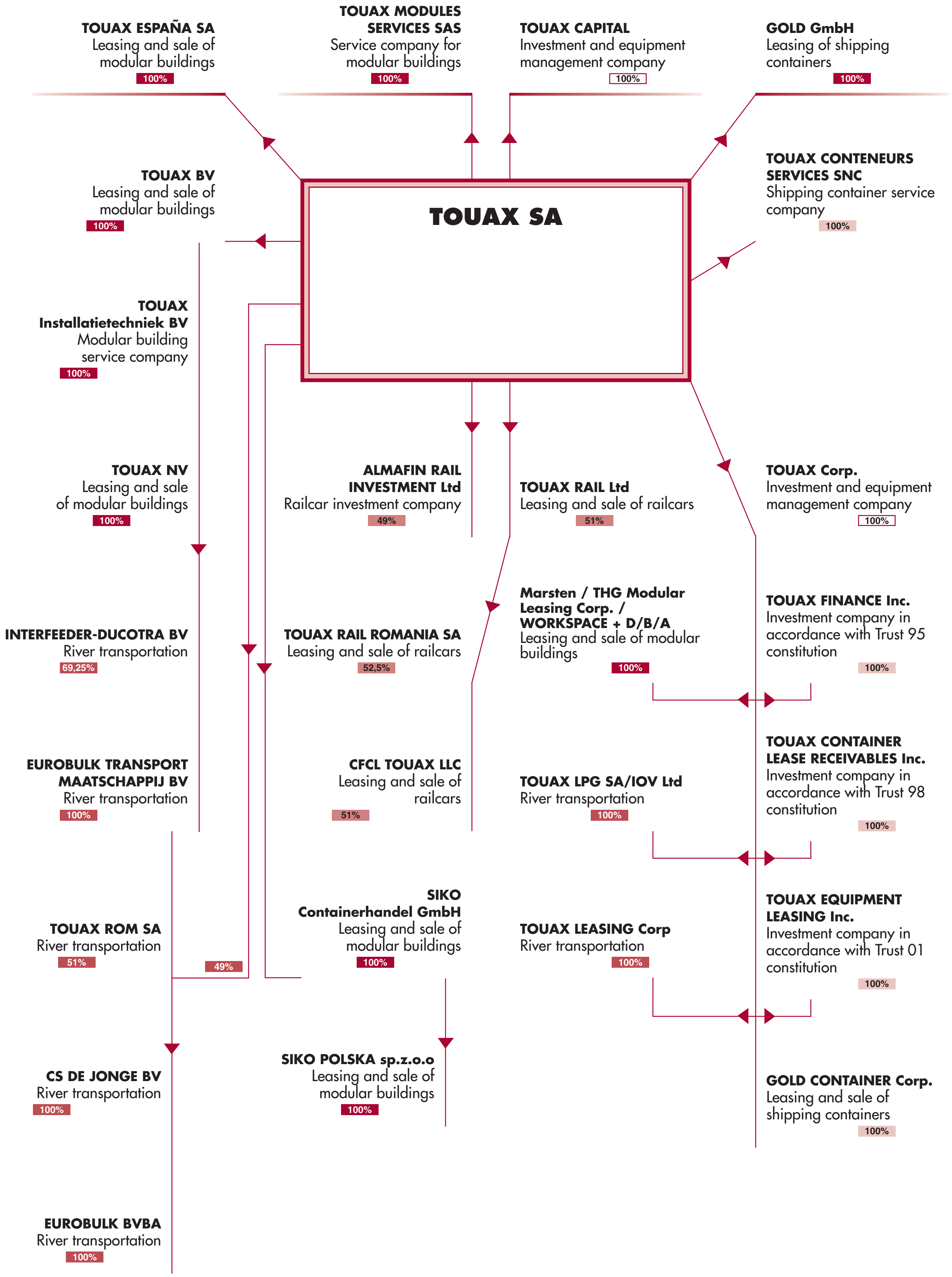
There is no significant risk to report relating to any notable influence by minority shareholders on the subsidiaries of the Group with regard to the financial structure of the Group, particularly concerning the location and association of assets, cash and financial debts due to the existence of agreements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

LIST OF TRANSACTIONS COVERED BY ARTICLE L.225-39 OF THE COMMERCIAL CODE:

Provided for	Insurance	IT	Advances	Equipment leasing	Provision of personnel
EUROBULK TRANSPORTMAATSCHAPPIJ BV			x	x	
GOLD CONTAINER CORP		x	x		x
SIKO CONTAINERHANDEL GmbH			x	x	
TOUAX BV			x		
TOUAX CAPITAL			x		
TOUAX CONTENEURS SERVICES SNC					
TOUAX CORP			x		
TOUAX ESPAÑA SA	x		x		
TOUAX LPG SA					
TOUAX MODULES SERVICES SA					
TOUAX NV			x		
TOUAX ROM SA	x		x	x	
TOUAX RAIL Ltd			x		x
TOUAX SAAF SA			x		

Received from	Advances	Equipment leasing	Fees	Advertising	Translations	Transport	Repairs	Travel expenses	Provision of personnel
EUROBULK TRANSPORT MAATSCHAPPIJ BV				x	x	x	x	x	
GOLD CONTAINER CORP		x							x
SIKO CONTAINERHANDEL GmbH		x							
TOUAX BV		x		x			x	x	
TOUAX CAPITAL	x								
TOUAX CONTENEURS SERVICES SNC									x
TOUAX CORP	x								
TOUAX ESPAÑA SA	x								
TOUAX LPG SA									
TOUAX MODULES SERVICES SA		x							x
TOUAX NV									
TOUAX ROM SA						x			x
TOUAX RAIL Limited			x						
TOUAX SAAF SA									

Legal organigram of the group



TOUAX SA

TOUAX ESPAÑA SA
Leasing and sale of modular buildings
100%

TOUAX MODULES SERVICES SAS
Service company for modular buildings
100%

TOUAX CAPITAL
Investment and equipment management company
100%

GOLD GmbH
Leasing of shipping containers
100%

TOUAX BV
Leasing and sale of modular buildings
100%

TOUAX CONTENEURS SERVICES SNC
Shipping container service company
100%

TOUAX Installatietechniek BV
Modular building service company
100%

TOUAX NV
Leasing and sale of modular buildings
100%

ALMAFIN RAIL INVESTMENT Ltd
Railcar investment company
49%

TOUAX RAIL Ltd
Leasing and sale of railcars
51%

TOUAX Corp.
Investment and equipment management company
100%

Marsten / THG Modular Leasing Corp. / WORKSPACE + D/B/A
Leasing and sale of modular buildings
100%

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

INTERFEEDER-DUCOTRA BV
River transportation
69,25%

TOUAX RAIL ROMANIA SA
Leasing and sale of railcars
52,5%

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

EUROBULK TRANSPORT MAATSCHAPPIJ BV
River transportation
100%

CFCL TOUAX LLC
Leasing and sale of railcars
51%

TOUAX LPG SA/IOV Ltd
River transportation
100%

TOUAX ROM SA
River transportation
51%

49%

SIKO Containerhandel GmbH
Leasing and sale of modular buildings
100%

TOUAX LEASING Corp
River transportation
100%

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

CS DE JONGE BV
River transportation
100%

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

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

EUROBULK BVBA
River transportation
100%

Corporate governance

Report of the Chairman of the Board of Directors on the preparation and organization of the work of the Board and the internal auditing procedures established by the company.

TOUAX SA – 2003 FINANCIAL YEAR

Pursuant to articles L. 225 – 37 and L. 125 – 68 of the Commercial Code, resulting from article 117 of the Financial Security Act, the present report describes the preparation and organization of the work of the Board and the internal audit procedures established by TOUAX SA.

The other companies of the Group do not fall within the scope of this report. They are nevertheless required to apply the procedures defined by the Group.

1. Corporate governance

The company is managed by the Board of Directors, Co-Chairmen and an Executive Committee.

1.1. Joint chairmanship

On 1 January 1998, a joint chairmanship system was implemented between Raphaël Walewski and Fabrice Walewski.

In legal terms, the office of Chairman of the Board of Directors alternates annually by decision of the Board of Directors. In 1999, 2001 and 2003, the post was held by Fabrice Walewski. In 1998, 2000 and 2002, it was held by Raphaël Walewski.

The post of Chief Executive Officer, as provided for in the articles of association, was held by Fabrice Walewski in 1998, 2000 and 2002, and by Raphaël Walewski in 1999, 2001 and 2003.

Following the implementation of the New Economic Regulations (NRE) Act, the Chairman of the Board of Directors conducts the general management of the company and delegates his powers. In the 2004 financial year, Raphaël Walewski is the Chairman and Chief Executive Officer and Fabrice Walewski is the Deputy Chief Executive Officer.

1.2. The Board of Directors

1.2.1. Composition

The Board of Directors comprised 10 members on the date of the Meeting of Shareholders of 26 June 2003.

The company was saddened to learn of the death of Florian Walewski in September 2003.

Étienne de Bailliencourt tendered his resignation as a director to the Board of Directors at its meeting of 12 January 2004.

As at the date of the meeting of the Board of Directors held to approve the financial statements for the 2003 financial year on 30 March 2004, Florian Walewski and Étienne de Bailliencourt were no longer directors. With the exception of Raphaël and Fabrice Walewski, the members of the Board of Directors do not form part of the workforce of the Group.

1.2.2. Operation

Three meetings of the Board of Directors were held during the 2003 financial year, during which the board exercised its functions in full. The attendance rate of the Board of Directors was 87%.

The Bouton Report on corporate governance recommends the establishment of internal regulations and a process for assessing the performance of the Board. The company considers that these recommendations do not apply to majority owned and controlled family businesses. There are no internal regulations. There is no formalized assessment procedure within the Board of Directors.

The regulations applicable to securities transactions by insiders are enforceable against the directors of the company.

1.2.3. Remuneration of the Board

The remuneration of the members of the Board of Directors amounted to €69,516 in respect of the 2003 financial year, in accordance with the attendance rate specified by the Combined General Meeting of 26 June 2003. In the 2002 financial year, the corresponding amount was €69,516.
The regional meeting of 28 June 2004 will propose that the amount of remuneration be rounded to €70,000 for the 2004 financial year.

The attendance fee was allocated 50% on a fixed basis and 50% on the basis of the actual presence at Board meetings. The two co-chairmen were paid double directors' fees.

1.2.4. Incumbent directors

The board has one independent director M. Thomas HAYTHE as defined by the Bouton Report.

Raphaël WALEWSKI

Date of appointment:
Director, 1994
Chief Executive Officer, 1994
Chairman in the 1998, 2000, 2002 and 2004 financial years
Age: 37 years

Director of the following Group companies:
EUROBULK TRANSPORTMAATSCHAPPIJ BV, GOLD CONTAINER Corporation, GOLD CONTAINER GmbH, MARSTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, INTERFEEDER-DUCOTRA BV, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX NV, TOUAX ROM SA.

Corporate governance

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Raphaël WALEWSKI holds 406,985 shares in TOUAX SA.

Fabrice WALEWSKI

Date of appointment:

Director, 1994
Chief Executive Officer, 1994
Chairman in the 1999, 2001 and 2003 financial years
Age: 35 years

Director of the following Group companies: ALMAFIN RAIL INVESTMENT Ltd, GOLD CONTAINER Corporation, MARSTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX RAIL Ltd, TOUAX ROM SA, TOUAX SAAF SA.

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Fabrice WALEWSKI holds 410,526 shares in TOUAX SA.

Alexandre WALEWSKI

Date of appointment:

Director, 1977
Chairman & Chief Executive Officer from July 1977 to December 1997
Age: 70 years

Director of the following Group companies: CFCL TOUAX Llp, EUROBULK TRANSPORTMAATSCHAPPIJ BV, GOLD CONTAINER Corporation, MARSTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, INTERFEEDER-DUCOTRA BV, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX NV, TOUAX ROM SA, TOUAX SAAF SA.

Chairman of the following Group companies CFCL TOUAX Llp, EUROBULK TRANSPORTMAATSCHAPPIJ BV, GOLD CONTAINER Corporation, MARSTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, INTERFEEDER-DUCOTRA BV, SIKO CONTAINERHANDEL GmbH, TOUAX BV, TOUAX ESPAÑA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX NV, TOUAX ROM SA, TOUAX SAAF SA.

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Alexandre WALEWSKI holds 415,485 shares in TOUAX SA.

Étienne de BAILLIENCOURT

Date of appointment: Director in 1986

Étienne de BAILLIENCOURT tendered his resignation as a director during the meeting of the Board of Directors held on 12 January 2004.

Serge BEAUCAMPS

Date of appointment: Director in 1986
Age: 80 years

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Serge BEAUCAMPS holds 2,684 shares in TOUAX SA.

Jean-Louis LECLERCQ

Date of appointment: Director in 1986
Age: 72 years

Other posts held: SARL Navidor: Chief Executive Officer; SCI OUSTAL QUERCYNOIS: Manager; CNAFM (family benefits fund): Director.

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Jean-Louis LECLERCQ holds 120 shares in TOUAX SA.

Philippe REILLE

Date of appointment: Director, 1986
Age: 65 years

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Philippe REILLE holds 300 shares in TOUAX SA.

Florian WALEWSKI

Date of appointment: Director, 1986

The Board was saddened to learn of the death of Florian WALEWSKI in September 2003.

ALMAFIN (100% subsidiary of the Belgian group ALMANIJ), represented by Hugo VANDERPOOTEN

Date of appointment: Director, 2000
Age: 48 years

Hugo VANDERPOOTEN is a director of the following group companies: ALMAFIN RAIL INVESTMENT Ltd, TOUAX RAIL Ltd.

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

ALMAFIN holds 175,999 shares of TOUAX SA.

Thomas M. HAYTHE
Date of appointment: Director, 2001
Age: 65 years

Other posts held: Commonwealth Center Assoc. Llp – Member of Executive Committee, Nottoway Properties Inc – Secretary, Diebold Finance Company Inc – Vice President & Assistant Secretary Diebold Finance Company – Vice President & Assistant Secretary, Orley Investments Inc – Director, Vice President, Secretary and Treasurer, Tulip Rock Investments Inc – Vice President, Bugina (United States) Inc – Director, President and Secretary, Bemarin Investments N.V. – President & Director, Novametrix Medical Systems Inc – Director, General Counsel and Assistant Secretary, Guest Supply Inc – General Counsel, Westerbeke Corporation – Director, General Counsel, Ramsay Youth Services Inc – Director, General Counsel and Assistant Secretary, Nureddin Corporation SA – Director, President & Secretary.

His term of office expires in 2004. His term of office will be renewed for one year at the next Ordinary General Meeting on 28 June 2004.

Thomas M. HAYTHE holds 120 shares in TOUAX SA.

1.3. The Executive Committee

1.3.1. Composition

The Executive Committee was formed in June 1992.
This Executive Committee is currently composed of three members.

Raphaël WALEWSKI	Co-Chairman (entry date June 1994)
Fabrice WALEWSKI	Co-Chairman (entry date June 1994)
Stephen PONAK	Chief Financial Officer (entry date January 1998)

1.3.2. Operation

The Committee meets on a regular basis, generally once a month, to supervise the management of the company and its subsidiaries.

Its main duties are to:
- develop commercial and financial strategies
- monitor and control the Group's activities
- make investment and divestment decisions

Twelve meetings were held in 2003. All the Board members were present on each occasion.

Certain Committee members meet at least twice a month to discuss financial issues of a technical nature. In addition, the Executive Committee requires the attendance of Group directors from time to time to discuss particular issues.

1.3.3. Remuneration

The gross remuneration paid to the three members of the Executive Committee totaled €485,000 in 2003.

Stock options and equity warrants of the Executive Committee

Number of stocks options granted to the Executive Committee	3,900
Number of equity warrants granted to the Executive Committee	24,501

1.4. Remuneration Committee

A Remuneration Committee, made up of two members of the Board of Directors in 2003 (Alexandre Walewski and Philippe Reille), meets at least once a year to determine the remuneration of the Chairman and Chief Executive Officer. The recommendations of the Remuneration Committee are notified to the Board of Directors. This Committee was formed in November 1997. The two members were appointed when the Committee was formed.

Gross remuneration of the company officers in 2003
€625,000
No assets operated by the company belong to the directors or their families.

2. Internal audit

2.1. Definition and summary of the context

The internal audit is defined by the French Institute of Auditors and Internal Control (IFACI) as a process conducted by the directors and the personnel of an organization, at whatever level, in order to provide them at all times with reasonable assurance that:

- the operations are completed, secure and optimized, thereby enabling the organization to achieve its basic objectives and its objectives in terms of performance, profitability and asset protection,

- the financial operations are reliable,

- laws, regulations and directives are respected.

2.2. Objectives of the company with regard to the internal audit

The company's objectives with regard to the internal audit are:

- to ensure that management functions and operations and the conduct of the personnel are within the guidance framework defined for the company's activities by the governing bodies of the company, the applicable laws and regulations and the internal values, standards and rules of the company.

– to ensure that the accounting, financial and management information provided for the governing bodies of the company accurately reflects the activity and situation of the company.

The procedures imply compliance with management policies, the protection of assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting entries and the provision of reliable accounting and financial information within the specified periods.

However, the company's internal audit system does not provide certainty that the specified objectives will be achieved, because of the limits inherent in any procedure.

2.3. Summary of the risks borne by the company

The risks are described precisely in the management report of the Board of Directors.

2.3.1. Financial risks

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

The management of financial risk forms an integral part of the management of the company. To provide improved risk monitoring and optimize internal controls, the management has separated the administrative and financial management into two parts: financial management and administrative and accounting management.

The financial management, including the associated central cash management of the Group and administration of the management programs, manages the financial risk.

All financial matters are monitored or reviewed daily by the financial management, which provides the necessary resources in order to limit the financial risks.

The objective of the administrative and accounting management is to produce reliable accounting and financial information, to communicate such information, monitor other risks, in particular counterparty risk, establish administrative, accounting and financial procedures and monitor the legal and fiscal affairs of the Group.

2.3.2. Legal risks

The legal risks are monitored by the administrative and accounting management and the operational directors.

Provisions are created in respect of these risks where a charge is likely in accordance with L 123-20 article 3 of the Commercial Code.

2.3.3. Industrial and environmental risks

These risks relate particularly to economic, political, geopolitical, technological, climatic and environmental risks. They depend mainly on the various activities of the company. Regular reports are sent to the management to ensure that these risks are monitored.

2.4. Summary of the internal audit

2.4.1. General organization of the internal audit

The internal audit relies on formalized procedures, the information system and its architecture and the skills and training of the personnel.

The primary cycles relate to revenues and trade debtors, expenses and trade creditors, tangible assets, cash management and financing. The secondary cycles relate to the pay/personnel function and inventories.

2.4.2. Role of the internal audit department

The task of the internal audit department is to chart the various risks, establish and control the flow of information by means of the various reports and establish and monitor administrative and accounting procedures in liaison with the various accounts departments.

The internal audit assists the Executive Committee with the control of risks, the verification of methods and procedures and the control of the reliability of the information provided by the various subsidiaries, branches and divisions of the group.

2.4.3. General description of the procedures

Revenues and trade debtors

The main objectives are to verify the accuracy of the revenues, the valuation of accounts receivable and the completeness of the receipts and to monitor the counterparty risk.

To fulfill these objectives, the management has put in place the following organization:

– Operations department: distinct from the commercial and marketing departments, this is essentially responsible for processing and monitoring the fulfillment of customer orders,

– Customer credit department: attached to the administrative and accounting department, this is responsible for giving its opinion before the order is processed. The bad and doubtful debt function is attached to this department. It issues invoices on the basis of information entered in the computer system by the Operations department. The generation of accounting entries for invoices is automated and integrated.

The essential principles of the revenues/trade debtors cycle are:

– lease contracts systematically entered in the computer system,

- management and invoicing system integrated with the accounting system,

- separation of tasks between the credit department, the operating departments and the treasury department,

- regular inspection of the amount of customer credit (DSO – days sales outstanding) by the general management.

Expenses and trade creditors

The main objectives are to ensure that all expenses are recorded and to verify the valuation of the trade creditors and the accuracy of the payments.

The organization put in place is as follows:

- Operations department: initiates the order, issues "purchase requests" within limits strictly defined by the management. It accepts delivery of the order once it has been approved and ensures that delivery takes place correctly.

- Operations management: approves the requests, which are then converted into purchase orders. It negotiates the prices, selects the suppliers and oversees the conditions of sale.

- Operational management of the business: responsible for systematic inspection and approval of invoices.

- Accounts department: records invoices on the basis of purchase orders and prepares payments, which are approved by the general management.

The basic principles of the expenses/trade creditors cycle are based on:

- approval of the order,

- comparison of the purchase order and the delivery notes, work acceptance certificates, consignment notes and invoices,

- systematic inspection of invoices by the operational management of the business,

- centralization of payments by the general management.

Tangible assets

The major objective is to protect the company's assets. The company carries out a general physical inventory twice a year in liaison with the operating departments and the administrative and accounting departments. Differences are analyzed, justified and presented to the general management.

Treasury department

The objectives intersect those of the other cycles. They are mainly achieved by a strict separation of tasks and the involvement of the general management.

The predominant aspects of the internal audit of the treasury/finance cycle are:

- centralized management of cash flows through monthly monitoring of flows,

- monitoring of authorizations and delegations of signing powers and other bank commitments,

- measurement and regular forecasting of cash requirements.

2.4.4. General description of the procedures relating to the preparation and treatment of financial and accounting information.

The administrative and accounting procedures are established in such a way that the operations reflected in the annual financial statements fulfill the objectives with regard to regularity and fairness. These procedures are integrated into the internal audit described above.

These procedures are based on:

- integrated management and accounting systems,

- separation of tasks insofar as the size of the departments permits,

- supervision and control of operational and functional management and general management.

All of the financial and accounting information is reported monthly to the consolidation department, which carries out a consistency check on the flows and methods applied. A full consolidation is carried out every quarter. A summary consolidation is carried out in February, May, August and November of each year. The aim of the reporting and consolidation procedures is to guarantee compliance with the accounting principles applied by the company.

Furthermore, the monthly monitoring of the results of the subsidiaries and of the Group enables the general management to verify the financial translation of the strategy assigned to the businesses, involving an audit of the results in the context of the Group's budgetary commitments and business plan.

It should be noted that the subsidiaries are visited regularly by the various managements (general, financial, accounting, operational), thereby ensuring correct adherence to the Group's procedures.

3. Limitations of the powers of the Chief Executive Officer

The Board of Directors has not specified any limitation of power.

Corporate governance

Report of the auditors to the shareholders pursuant to the final paragraph of article L.225-235 of the Commercial Code on the report of the Chairman of the Board of Directors of TOUAX with regard to the internal audit procedures relating to the preparation and treatment of accounting and financial information.

Financial year ending on 31 December 2003

In our capacity as the auditors of TOUAX and pursuant to the provisions of the final paragraph of article L. 225-235 of the Commercial Code, we present to you our report on the report drawn up by the Chairman of your company in accordance with the provisions of article L. 225-37 of the Commercial Code in respect of the year ending on 31 December 2003.

Under the responsibility of the Board of Directors, it is the task of the management to define and implement appropriate and effective internal audit procedures. It is the duty of the Chairman to account, in his report, for the conditions relating to the preparation and organization of the work of the Board of Directors and the internal audit procedures established within the company.

Our task is to inform you of our observations on the information provided in the report of the Chairman concerning the internal audit procedures relating to the preparation and treatment of the accounting and financial information.

We have conducted our work in accordance with the professional standards applicable in France. Those standards require that we assess the fairness of the information presented in the report of the Chairman concerning the internal audit procedures relating to the preparation and treatment of accounting and financial information.

Our work involved in particular:

- Acquainting ourselves with the objectives and the general organization of the internal audit, and with the internal audit procedures relating to the preparation and treatment of accounting and financial information, as presented in the report of the Chairman;

- Acquainting ourselves with the documentation serving as a basis for the information thus provided in the report.

On the basis of our work, we have no observations to make concerning the description of the internal audit procedures of the company relating to the preparation and treatment of accounting and financial information, as contained in the report of the Chairman of the Board of Directors drawn up pursuant to the provisions of the final paragraph of article L. 225-37 of the Commercial Code.

Paris and Neuilly-sur-Seine, June 1st 2004

The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIES
Paul NAÏM

IAS/IFRS standards

Within the context of the adoption of international accounting standards by the European Union (IAS – IFRS), all European companies listed in a regulated market will be required to present their consolidated financial statements in accordance with IFRS standards from 1 January 2005.

In order to meet this deadline as effectively as possible, the Group has taken a number of measures, the principal of which are presented below:

An initial phase, involving an assessment and analysis of the standards, has been initiated since the beginning of 2004. The aim of this phase is to identify the main differences as compared to the French standards in force within the Group. This phase has involved the use of the Group's internal resources as well as external resources, with a major involvement of its auditors, particularly with regard to the issue of accounting for securitization transactions, which is particularly complex. Furthermore, an IFRS Committee has been formed within the Group, bringing together the internal audit, the consolidation and the accounting departments of TOUAX SA and of the significant subsidiaries of the Group. An action plan has been defined for the assessment and analysis phase. The aim of the action plan is to assess the impact of the establishment of standards for the publication of interim accounts as at June 2004, scheduled for 30 September 2004.

The timetable for the implementation of IFRS standards in 2004 and 2005 is as follows:

- From January to September 2004, the administrative and accounting management of the Group will set the accounting options in IFRS standards and carry out simulations to assess the impact on the Group's financial statements as at 31 December 2003 drawn up in accordance with French standards.

- On 30 September 2004, the accounting options and the significant impacts will be presented upon the publication of the interim financial statements for June 2004.

- The financial statements for the first half of 2005 will be drawn up and published in accordance with the new reference framework in September 2005 and will be compared with the adjusted financial statements for the first half of 2004.

- Topics likely subject to adjustments include leases, accounting treatment of the retirement benefit costs, the property plant and equipment and the accounting treatment of the special purpose entities. This list is not exhaustive, further analysis is in process.

Responsibility for the reference document and the audit of the financial statements

Person responsible for the reference document

Raphaël WALEWSKI
Chairman and Chief Executive Officer

Certification of the person responsible for the reference document

"To the best of our knowledge, the information contained in this reference document is correct and includes all the information required to permit an investor to reach an informed opinion concerning the assets and liabilities, business, financial position, results and outlook of the company. No information has been omitted that would be likely to alter its import."

June 1st 2004
Raphaël WALEWSKI
Chairman of the Board of Directors – CEO

People in charge of the audit of the financial statements

DELOITTE TOUCHE TOHMATSU
Principal since 6 June 2000
185, Avenue Charles de Gaulle, 92200 Neuilly sur Seine

Appointed at the Combined General Meeting of 7 June 1999 as a substitute to Denis HERFORT for a six-year term. Denis HERFORT resigned in May 2000. Appointed as principal auditor with effect from 6 June 2000 for the remainder of the term of office.

This term of office shall therefore expire at the close of the Ordinary General Meeting to be held in 2005 to decide on the 2004 financial statements.

BEAS
Substitute from 6 June 2000
7-9 Villa Houssay, 92200 Neuilly sur Seine

Appointed at the Combined General Meeting of 6 June 2000 as a substitute for DELOITTE TOUCHE TOHMATSU for the remainder of the substitute's term of office.

This appointment shall therefore expire at the close of the Ordinary General Meeting to be held in 2005 to decide on the 2004 financial statements.

LEGUIDE, NAIM & Associés (L.N.A.)
Principal since 29 July 1986
21, rue Clément Marot, 75008 Paris

Date of first appointment: 29 July 1986

Renewed at the Combined General Meeting of 25 June 1998 as a substitute to LEGUIDE, NAIM & Associés for a term of six years.

This appointment shall expire at the close of the Ordinary General Meeting to be held in 2004 to decide on the 2003 financial statements.

Serge LEGUIDE
Substitute
21 rue Clément Marot, 75008 Paris
Date of first appointment: 29 July 1986

Renewed at the Combined General Meeting of 25 June 1998 as a substitute to LEGUIDE, NAIM & Associés for a term of six years.

This appointment shall expire at the close of the Ordinary General Meeting to be held in 2004 to decide on the 2003 financial statements.

AUDITORS' FEES

(€ thousands)	Deloitte Touche Tohmatsu				Leguide, Naïm & Associés			
Audit	Amount		%		Amount		%	
	2003	2002	2003	2002	2003	2002	2003	2002
Auditorship, certification, examination of individual and consolidated financial statements	278	315			58	56		
Ancillary duties	64	65			0	0		
Total for audit	**342**	**380**	**88%**	**92%**	**58**	**56**	**100%**	**100%**
Other services								
Legal, tax, social	32	35						
Information technology								
Internal audit	13							
Other								
Total for other services	**45**	**35**	**12%**	**8%**	**0**	**0**	**0%**	**0%**
TOTAL	**387**	**415**	**100%**	**100%**	**58**	**56**	**100%**	**100%**

Person responsible for financial communication

Thierry SCHMIDT de la BRÉLIE, Director of Administration and Accounting
Telephone: +33 1 46 96 18 38 – Fax: +33 1 46 96 18 18 – E-mail: t.delabrelie@touax.com

Opinion of the statutory auditors on the reference document

Accounting period ending on 31 December 2003

In our capacity as the Statutory Auditors of TOUAX and pursuant to COB regulation n° 98-01, we have verified the information relating to the financial position and historical accounts provided in this reference document. Our work has been carried out in accordance with the professional standards applicable in France.

This reference document was drawn up under the responsibility of the Board of Directors. Our task is to issue an opinion on the fairness of the information it contains with regard to the financial position and the financial statements.

In accordance with the professional standards applicable in France, our work involved assessing the fairness of the information on the financial position and the financial statements and verifying its consistency with the financial statements which were the subject of a report. It also involved reading the other information in the reference document in order to identify any significant inconsistencies with the information on the financial position and the financial statements and to draw attention to any manifestly incorrect information identified on the basis of the general knowledge of the company which we obtained during our assignment. This reference document contains no separate forecast data resulting from a structured compilation process.

We have conducted an audit, in accordance with the professional standards applicable in France, of the annual and consolidated financial statements for the accounting period ending on 31 December 2003 drawn up by the Board of Directors under French accounting standards. They have been certified without any reservation or observation.

We have conducted an audit, in accordance with the professional standards applicable in France, of the annual and consolidated financial statements for the accounting period ending on 31 December 2002 drawn up by the Board of Directors under French accounting standards. They have been certified without any reservation, but an observation has been made concerning the change of accounting method relating to the presentation of the income statement: capital gains and losses on disposals of equipment, previously included under extraordinary items, as well as the other expenses and income previously classified as extraordinary, are now included in the operating income.

We have conducted an audit, in accordance with the professional standards applicable in France, of the annual and consolidated financial statements for the accounting period ending on 31 December 2001 drawn up by the Board of Directors under French accounting standards. They have been certified without any reservation or observation.

On the basis of our verifications, we have no observations to make regarding the fairness of the information relating to the financial position and the financial statements presented in this reference document.

Paris and Neuilly-sur-Seine, June 1st 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIES
Paul NAÏM

Appendices:
In accordance with the legal provisions in force, the reference document includes:
- the general report (*cf.* original document in French) on the annual financial statements in which we give evidence for our assessments
- the report on the consolidated financial statements (page 79 of the reference document) in which we also give evidence for our assessments
- the report drawn up in respect of article L 225-235 of the Commercial Code (page 90 of the reference document) on the report of the Chairman of the Board of Directors concerning the internal audit procedures relating to the preparation and treatment of the accounting and financial information.

Project of resolutions

General Meeting of 28 June 2004

The Ordinary General Meeting may only pass valid resolutions on first notice if the shareholders present or represented hold at least one-quarter of the voting shares. Decisions are made on a majority vote.

First resolution

The General Meeting, having heard the reports of the Board of Directors and the Statutory Auditors, approves the said reports in their entirety, as well as the annual financial statements as presented, showing a net book profit of €1,795,505.

Second resolution

The Ordinary General Meeting discharges the Board of Directors in respect of its management in the 2003 financial year.

Third resolution

The General Meeting approves the proposals presented by the Board of Directors and resolves to appropriate the profit as follows:

Income for the period	€1,795,505
Plus retained earnings from previous years	€1,274,052
Profit to be appropriated	€3,069,557
Allocation to the legal reserve	€89,775
Distribution of a dividend of	€709,532
Deduction at source	€7,521
Balance allocated to retained earnings	€2,262,729
Total profit distributed	**€3,069,557**

A dividend of €0.25 per share will therefore be distributed in respect of the 2,838,127 shares entitled to dividend, accompanied in principle by a tax credit of €0.125 per share in accordance with article 158 b I of the French General Code of Taxation, i.e. a total of €0.375 per share for shareholders who are natural persons resident for tax purposes in France. Exceptionally, from January 2003, for shareholders other than natural persons or legal entities benefiting from the parent and subsidiary regime and using this tax credit in accordance with article 158 b of the French General Code of Taxation, the said tax credit will be €0.025, representing total earnings of €0.275.

In accordance with the legal provisions and as set out in the management report, the General Meeting notes that the dividends distributed in the last three financial years and the proposed dividend for 2003 are as follows:

In euros	2000	2001	2002	2003
Net dividend	0.70	0.35	0.60	0.25
Tax credit	0.35	0.18	0.30	0.125
Total earnings	1.05	0.53	0.90	0.375
Number of shares	2,365,106	2,838,127	2,838,127	2,838,127
Dividends	1,622,511	1,018,345	1,702,877	709,532
Repayment of capital		684,531		
Total distributed	1,622,511	1,702,876	1,702,877	709,532

The dividend of €0.25 per share will be paid as of 5 July 2004 at branches of Crédit Industriel et Commercial.

In the event that the Company holds its own shares when the dividend is paid, the profit corresponding to the dividend on these shares will be allocated to retained earnings.

Fourth resolution

The General Meeting, having heard the special report of the auditors on the agreements referred to in articles L.225-38 of the Commercial Code, successively approves, in accordance with article L.225-40 of the said code, each of the agreements mentioned therein.

Fifth resolution

The General Meeting, having acquainted itself with the report on the management of the Group included in the management report of the Board of Directors and the reports of the Statutory Auditors, approves, as presented, the consolidated financial statements as at 31 December 2003 drawn up in accordance with the provisions of articles L.357-1 ff. of the Commercial Code.

Sixth resolution

The General Meeting authorizes the company, in accordance with article L.225-209 of the Commercial Code, to acquire a maximum number of shares representing up to 10% of the share capital under the following conditions:

Maximum purchase price per share	€30
Maximum share	€4,453,168

Article L.225-210 of the Commercial Code specifies that the amount of shares held may not exceed the amount of free reserves (reserves other than the statutory legal reserves and undistributable reserves plus issue, share and merger premiums and retained earnings). As at 31 December 2003, these reserves totaled €4,453,168.

These shares may be acquired, in one or more transactions, by any or all means, including, where applicable, over-the-counter trading, sales of blocks of shares or the use of derivative products:

– regularizing the market price of the company's share by systematically intervening against the trend;

– possibly canceling the shares, subject to a decision or authorization by the subsequent Extraordinary General Meeting;

– granting share purchase options to employees or directors of the TOUAX Group.

These operations can be conducted at any time, including during a public offering period.

The present authorization will take effect once it has been approved by the French Financial Markets Authority (AMF) and accepted by the present Meeting. It is issued for a period of 18 months. It cancels and replaces that granted by the Combined General Meeting of 26 June 2003 in its sixth resolution.

Seventh resolution

The General Meeting sets the total annual directors' fees allocated to the Board of Directors at €70,000.

Eighth resolution

As the directorship of Serge BEAUCAMPS will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Ninth resolution

As the directorship of Thomas M. HAYTHE will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Tenth resolution

As the directorship of Jean-Louis LECLERCQ will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Eleventh resolution

As the directorship of Philippe REILLE will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Twelfth resolution

As the directorship of Alexandre WALEWSKI will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Thirteenth resolution

As the directorship of Fabrice WALEWSKI will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Fourteenth resolution

As the directorship of Raphaël WALEWSKI will shortly expire, the General Meeting extends his term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Fifteenth resolution

As the directorship of ALMAFIN, represented by Hugo VANDERPOOTEN, will shortly expire, the General Meeting extends its term of office for a period of one year, up to the date of the General Meeting held to decide on the 2004 financial statements.

Sixteenth resolution

The Meeting appoints M Jérôme BETHBEZE as a Director. The term of office shall run for one year and shall end on the date of the General Meeting held to decide on the 2004 financial statements.

Seventeenth resolution

The General Meeting renews the appointment, for a period of six years ending on the date of the Ordinary General Meeting held to decide on the 2009 financial statements, of:

LEGUIDE, NAIM & Associés (L.N.A)
21, rue Clément Marot
75008 PARIS

as the principal auditor, and of:

Serge LEGUIDE
21, rue Clément Marot
75008 PARIS

as the substitute auditor:

Eighteenth resolution

The General Meeting grants full powers to the bearer of a copy or extract of the minutes of this Meeting to fulfill all the legal requirements regarding registration and publication.

Concordance table

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

In accordance with the regulation COB 98-01, the Financial Markets Authority (AMF) registered the present reference document on June 2nd 2004 under the number R.04-101. It may be used in connection with a financial transaction only if accompanied by a transaction note certified by the Financial Markets Authority. This reference document has been drawn up by the issuer and engages the liability of its signatories. This registration, performed after examination of the relevance and consistency of the information provided on the state of the company, does not imply the authenticity of the accounting or financial information presented. This present version has been prepared for the convenience of English language readers. It is a translation of the original registered "Document de référence". It is intended for general information only and should not be considered as completely accurate owing the unvailability of English equivalents for certain French legal terms.
This present document does not include the statutory accounts, which can be found in the original French registered "Document de référence".

In the concern of the respect of the environment, we choose to publish this report a paper guaranteed without chlorine, printed with inks bio based on vegetable oil.

The photoengraving was carried out in CTP, without use of films, thus making it possible to reduce the quantity of chemical used.

Agency Council: PANDORA – Printing works : STIPA 4063345

Tour Arago • 5, rue Bellini - 92806 Puteaux - La Défense cedex • phone (33) 1 46 96 18 00 • fax (33) 1 46 96 18 18 • touax@touax.com • www.touax.com

Corporation with capital of 22 705 016 € • RCS Nanterre B 305 729 352