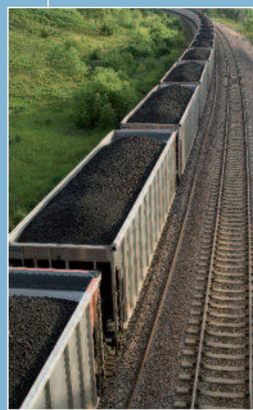
YOUR OPERATIONAL

LEASING SOLUTION

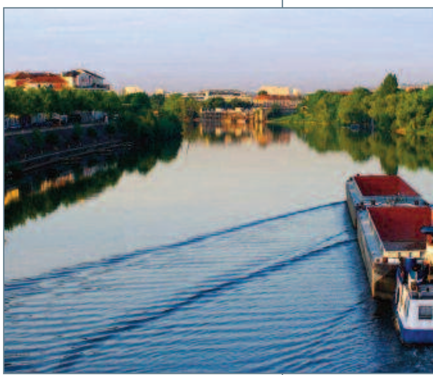

Touax 2013 ANNUAL REPORT

YOUR OPERATIONAL LEASING SOLUTION

SHIPPING CONTAINERS

N°1 in Europe

- 602,000 containers
- 3.8% global market share*
- 54% of the revenue



MODULAR BUILDINGS

N°2 in Continental Europe**

- 51,000 modular buildings
- 7.5% European market share
- 29% of the revenue

FREIGHT RAILCARS

N°2 in Europe**

(intermodal freight)

- 8,000 railcars
- 6.5% European market share
- 10% of the revenue

BARGES FLUVIALES

N°1 in Europe and South America**

- 130 river barges
- 25% European market share
- 7% of the revenue

** Drewry Maritime Research source*
*** Touax source*

With operations across five continents, TOUAX posted an operating revenue of €**349** million in 2013, including **88%** generated outside France.

On December 31 2013, the Group managed over €**1.6 billion** in equipment for its own account as well as on behalf of both private and institutional investors.

TOUAX, **a global corporate services provider,** specializes in the operational leasing and sale of shipping containers, modular buildings, freight railcars, and river barges.

We meet our customers' needs worldwide, offering **tailored solutions** for leasing, hire-purchase, sale and lease back and sale.

Thanks to our **know-how** and **expertise**, we can assist our customers with related services such as asset management, maintenance, consulting, technical appraisals and trading.

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14-15 Strategy for creating value, and key figures **16** TOUAX and the Stock Market

MESSAGE
FROM THE MANAGING PARTNERS

In 2013, TOUAX achieved a turnover of 350 million euros, down 2.4% compared to 2012, and had a net income of -15.3 million euros compared to 9.1 million euros in 2012. Adjusted for exceptional items (restructuring costs, impairment of assets and goodwill), the before tax income is slightly positive, amounting to 300 thousand euros.

TOUAX, in 2013, strengthened its balance sheet structure with 185 million euros in shareholders' equity (+7%) while reducing its net debt (-8%) and has adequate financial resources from third-party investors to fund its growth. Total assets under management amounted to 1.6 billion euros, up 3% on a comparable currency basis.

“A specialised service group close to its clients

The year 2013 was marked by a strong disparity in the environment between Europe, where the leasing activity and sales of Modular Buildings had a particularly difficult year, and all of our international business activities (outside Europe) like Shipping Containers, which had an excellent year.

To re-start on a sound footing in Europe, we had to initiate several measures to adapt our businesses with, in particular, the discontinuation of modular building production in France and the lowering of the Czech Republic's production site's breakeven point. This restructuring largely explains the exceptional elements recorded in 2013.

In terms of outlook, TOUAX continued developments promising for the future..

The Group has delivered its first modular buildings in Brazil, Russia, Algeria, Ghana, Gabon, Mauritania, Guinea, Togo and Burkina Faso. There are very significant modular building needs in these areas, and the Group intends to continue to take advantage of these markets.

For the River Barges leasing business, we continued our presence in South America by offering river barge operational leasing solutions on the Paraguay-Paraná River. At the same time, in Europe, TOUAX has developed partnerships with large industrial customers in order to position itself as a complete player offering consulting and site supervision services for construction as well as barge sales and financing solutions.

For its Shipping Containers business, we exceeded 600,000 TEUs under management, which represents a 22% growth in the fleet in 2 years, by carrying out many sales and leaseback operations with our shipowner customers. We also strengthened our presence in Asia and developed the used container trading business.

In the Freight Railcar business, we have expanded our base of industrial customers and confirmed an order for 300 new railcars, which are scheduled for delivery in late 2014.

In terms of income, the Group's recovery will nevertheless be progressive, and the Modular Buildings division will continue to remain below the breakeven point in 2014.

In terms of cash, the situation is completely different. Given the strong demand for tangible assets by institutional and private investors, TOUAX will principally finance its growth in 2014 via third-party investors, which will mechanically mean less investments in equity and a reduction of our debt.

These measures, combined with the sale of non-strategic or non-utilized assets, the gradual increase in utilization rates in Europe and cost reductions will continue to increase free cash flow, which rose from - 22.6 million euros in 2012 to + 25.3 million euros in 2013.

We thank all our employees for their high-quality work and dedication as well as our partners and shareholders for their trust, commitment and loyalty.

Raphaël Walewski
Managing Partner

Fabrice Walewski
Managing Partner

SHIPPING CONTAINERS

FLEET OF **602,000** TEU

200 DEPOTS

25 YEARS EXPERIENCE

A reference business partner

TOUAX owns and manages a fleet of high standard containers, mostly dry vans of (20', 40', and 40' HC). The fleet reached 600,000 TEU at the end of 2013, up from 565,000 TEU at end 2012. As a comprehensive container life-cycle actor, TOUAX offers solutions for Leasing, Financing, Purchase & Lease Back, Fleet Management and Trading.

We have developed close and long standing business relationships with the top container shipping lines like Maersk Lines, Mediterranean Shipping Company, CMA–CGM, Hapag Lloyd, APL-NOL, Evergreen and China Shipping and serves over 120 shipping companies including the top 25 major shipping lines and over 400 clients in the Retail sector.

TOUAX is also a leader in operational management of containers on behalf of third party financial investors.

We continue expanding our global commercial footprint, growing our workforce in our regional hubs and agencies, with a great focus to Asia. Our global network of 200 strategically located depot partners continues to be the backbone of its operations worldwide.

In 2013, the company maintained an average utilization rate of 93% and augmented its fleet of 40,000 TEU, demonstrating TOUAX' ability to optimize its fleet performance and its management capabilities.

Services expansion

Committed to the container industry for more than 25 years, TOUAX operates with long term perspectives and targets to reach a fleet of 800,000 TEUs in the medium term.

In 2014, we will expand our range of innovative solutions from Purchase & Lease Back to Finance Lease structuration, brand new and second-

Global solutions for leasing and trading containers

"9th container lessor worldwide and leader in Europe with a 3.8 % global market share"

Fleet managed by the Group (TEU)

2009	481,819
2010	481,759
2011	494,363
2012	564,866
2013	602,096

hand trading activity to new products and services.

Market facts: the globalized container supply chain scales up

The container industry continues to see in 2013 significant investments in port terminals worldwide and orders and charters from shipping companies of larger, fuel-efficient and eco-friendly ships. The whole supply chain is modernizing and scaling up.

Shipping containers continue to help the fluidity of global exchanges, with an estimated growth of containerized trade of 6% in 2014.

The overall demand for shipping containers steadily increased in 2013 with an estimated production of 2.4m teus of dry containers.

Container lessors continued to support massively the shipping industry, as shipping lines protected their cash reserves and focused their capital expenditures on new ships and terminals. Over 60% of containers produced in 2013 were ordered by lessors, 40% by shipping lines.

Likewise, domestic on-shore demand continues to expand, in both emerging and mature markets to serve the needs for domestic transport, portable storage and converted accommodation.

MODULAR BUILDINGS

5,000 CLIENTS

51,300 MODULAR BUILDINGS

11 COUNTRIES

For almost 40 years we have supported our customers in Europe and the United States, and now also in Africa and South America. Thanks to the increase in our industrial capacity, we serve our customers throughout the world. Our R&D teams develop solutions that meet our customers' local requirements. As a manufacturer and lessor of modular buildings, we must offer tailor-made solutions for all projects.

A comprehensive offer of products

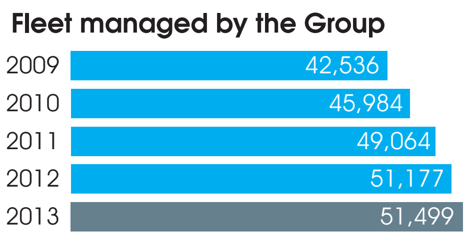
TOUAX is a manufacturer, a vendor, and leasing company, and produces modular buildings and prefabricated buildings that meet the highest quality standards (such as in particular RT2012) and are suited to all our territories (Europe, America, Africa and the Middle East). Our solutions include site facilities, offices, classrooms, social and emergency accommodation, clinics, sales offices, camps, changing rooms etc.

Successful international diversification...

TOUAX is already present in 11 countries and continued to expand into new markets by developing SACMI, the leading modular solutions and prefabricated buildings operator in Morocco and in West Africa. We are now able to support our customers on this continent and open up the promising markets for offices and site facilities in this area. TOUAX achieved more than 66% of its revenue outside France.

A cutting-edge service for highly modular construction solutions

"Our solutions are flexible and upgradeable and meet all our customers' needs!"



Some of the biggest projects within the market...

Our teams built some of the biggest site facilities in Africa and Europe: Tekfen site (30,000 m²) and Eemshaven site (55,000 m²).

The rental stock has increased by an average of 5 % in the last five years to over 51,000 modules. In addition, the sales activity shows both the Group's know-how and its ability to sell in African markets (already almost 30% of the division's sales). In the medium term, the Group's aim is to increase its sales in Africa and South America.

Keeping to our commitments

In both leasing and sales, TOUAX customers seek:

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

FREIGHT RAILCARS

2ND LARGEST EUROPEAN LESSOR

of intermodal railcars

8,000 RAILCARS

PRESENT IN **EUROPE**,
THE **USA** AND **ASIA**

Achieving Entity in charge of maintenance (ECM) status represents an important stage for TOUAX in the expansion of its business and offers its customers the guarantee of expertise and skill.

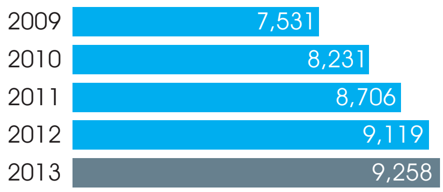
A comprehensive service for leasing, sale and maintenance of freight railcars

TOUAX RAIL offers leasing agreements including maintenance services. The strengths emphasized by TOUAX RAIL for the benefit of its customers are its command of maintenance and rail safety. TOUAX RAIL has been a certified Entity in Charge of Maintenance (ECM) since the end of 2011. TOUAX RAIL offers leasing services in Europe, the United States and India. In Europe through a network of offices located in Ireland (Western Europe zone) and Romania (Central Europe zone), completed by a network of branches covering the whole of Europe, in the United States (in partnership with Chicago Freight Car Leasing) and in Asia (in partnership with a local partner).
At the end of 2013 TOUAX RAIL managed a varied range of more than 8 000 freight railcars: intermodal railcars (transport of containers and swap bodies), car-carrier railcars, coil carriers (transport of steel coils), palletized cargo railcars (transport of palletized products) and hopper railcars and powder railcars for transporting heavy goods (cement, cereals etc.). TOUAX RAIL also managed roughly 1,300 wagons for technical maintenance.

We offer our customers a rail maintenance service in addition to our leasing range

"Since December 2011 TOUAX RAIL obtained Entity in Charge of Maintenance (ECM) certification, according to the new European legislation"

Fleet managed by the Group



Major groups as customers

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

The division's expansion strategy

In view of the need to replace the railcar fleet in Europe, TOUAX RAIL aims to manage 15,000 units in the medium term. TOUAX RAIL is also well-placed to continue its international expansion.

RIVER BARGES

1ST barges lessor
in Europe and in South America

130 BARGES

With 160 years' experience in river transport, TOUAX River Barges has developed innovative and exclusive solutions for long term leasing and sales of assets for manufacturers and river transport logistics operators on the main river basins in the world.

TOUAX provides an innovative range of services for the river barge market, thanks to its mastery of all aspects of the river transport chain, from construction to turnkey delivery.
TOUAX River Barges offers its customers total expertise in the river transport sector:
- operational and financial leasing of barges,
- trading of barges and push tugs,
- fleet management,
- sale and lease back of river fleets,
- technical design and monitoring of construction,
- insurance,
- advice, assistance and technical expertise regarding river transport,
- management of river transport certificates and administrative documents.

At 31 December 2013 the TOUAX Group managed a fleet of about 130 barges, and was the biggest leasing company for bulk cargo barges in Europe and South America.

Unique international presence...
TOUAX River Barges has an extensive geographic presence in the main river basins in the world:
- **In Europe:** the Group is very present on the Seine and the Rhône in France, on the Rhine, the Meuse, the Moselle and the Main in Northern Europe and on the Danube in Central Europe. TOUAX is one of the main players on the Rhine – Main – Danube network (2,500 km crossing 10 countries).

A range of high-value-added services, leasing and sales of river barges

"We offer added value for river transport by providing a tailored service offer to our worldwide customers."

- **In North America:** TOUAX leases barges on the Mississippi and the Missouri to different logistics operators.
- **In South America:** TOUAX rents 50 barges under long-term leases on the Paraná Paraguay River which crosses Uruguay, Argentina, Paraguay, Bolivia, and is actively developing a range of sales and leasing solutions on the main rivers.

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

Prestigious customers...

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

A constantly evolving market...

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

TOUAX aims to double its fleet thanks to its location in South America and to increase its sales revenue.

Shipping containers

Europe/Africa region
(administrative office in Paris)
Northern Asia region
(Hong Kong)
Southern Asia region
(Singapore)
Americas region
(Miami, United States)
Agents:
South Africa (Durban),
Australia (Melbourne),
Belgium (Antwerp),
South Korea (Seoul),
India (Chennay),
Italy (Genoa),
Japan (Tokyo),
Taiwan (Taipei)

Modular buildings

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

Freight railcars

France
(technical office)
Western Europe region
(Ireland)
Central Europe region
(Romania)
North America region
(United States)
Agents:
Germany, Hungary, Italy, Slovakia, Austria, Poland, Netherland, Sweden, Turkey

River barges

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

TOUAX was a key operator in French river transport for over a century and until the early 1970s. As this mode of transportation was gradually replaced by other modes, the Group decided to diversify into railcar leasing. TOUAX later seized an opportunity to start leasing modular buildings, and then acquired a shipping container specialist. We have successfully diversified into four major types of equipment, focusing exclusively on standard, mobile equipment. This ensures consistency and avoids dependence on a single economic cycle linked to one line of business. **THROUGHOUT THE PAST 20 YEARS, THE GROUP HAS EMPHASIZED INTERNATIONAL GROWTH** in order to establish itself in buoyant foreign markets. Furthermore, we constantly adapt our

A WORLDWIDE PRESENCE

A new dynamic with our locations in emerging countries

products, services, and know-how to reflect evolving markets and customer demand. Today TOUAX is recognized as a key, comprehensive operator in each of its business lines. We are the European leader in shipping containers and river barges, and the no. 2 European provider for modular buildings and intermodal railcars.

HISTORICAL MILESTONES

ORIGINALLY, THE RIVER BARGES ACTIVITY

1853 Starting of the river barges activity on the river Seine
1898 Creation of TOUAX following the merger with another major company
1906 Listed on the Paris Stock Exchange

SUCCESSFUL DIVERSIFICATION IN THREE BUSINESS SECTORS BASED ON EQUIPMENT LEASING

1955 Initial investments in the Railcars activity
1973 Launch of the Modular Buildings activity
1985 Purchase of Gold Container Corporation, Shipping Containers activity

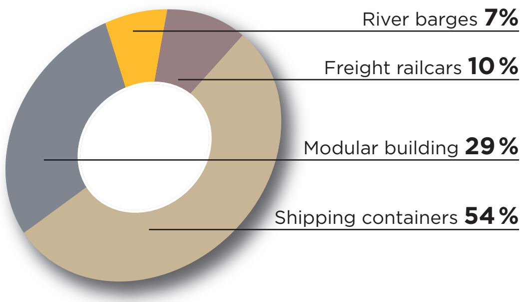
ACCELERATION OF TOUAX'S DEVELOPMENT OVER THE PAST 15 YEARS

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

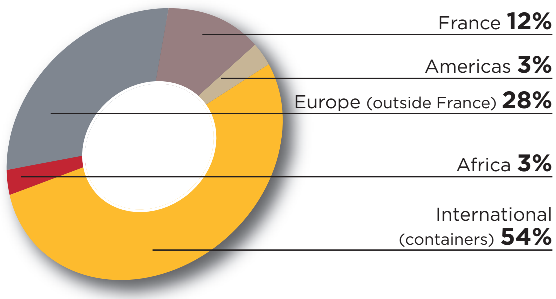
KEY FIGURES

A strategy of creating value for all four divisions

Breakdown of revenues by activity
at December 31, 2013

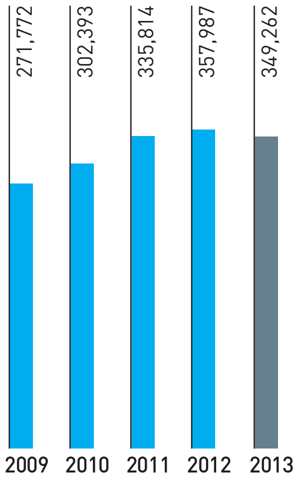


Geographic distribution of revenues
at December 31, 2013

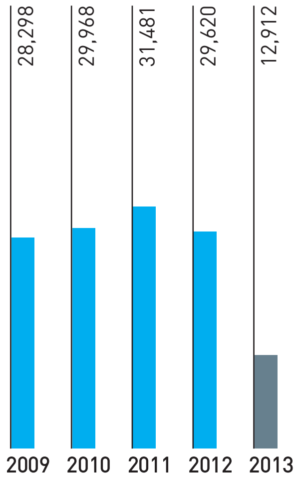


Geographic sectors correspond to areas where the Group is present, except for the shipping containers activity which reflects the international nature of the assets.

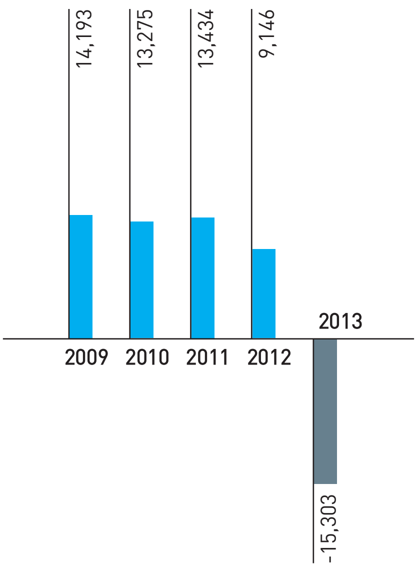
Consolidated revenues
(€ thousands)



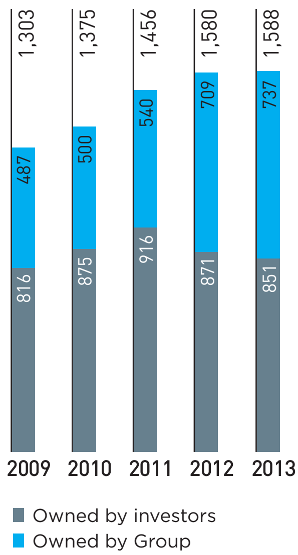
Consolidated current operating income
(€ thousands)



Consolidated net income
(€ thousands)



Breakdown in managed assets
(€ million)



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

4 LEVERAGES OF SUSTAINABLE PROFITABILITY

1. Diversification of its activities

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

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

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

2. Weighting our equity investments

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

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

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

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

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

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

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

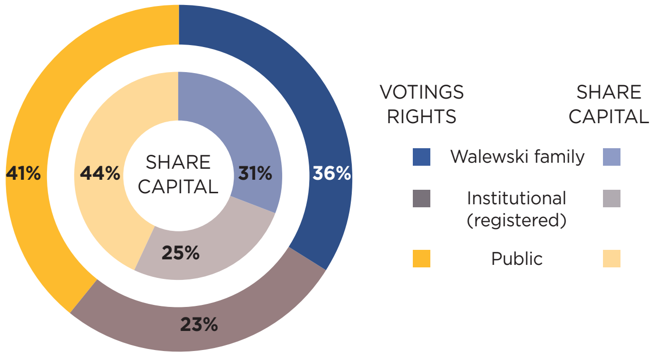
The Group is pursuing its international growth strategy in the emerging countries in order to diversify its risks, increase market shares and generate economies of scale.

TOUAX AND THE STOCK MARKET

TOUAX data sheet

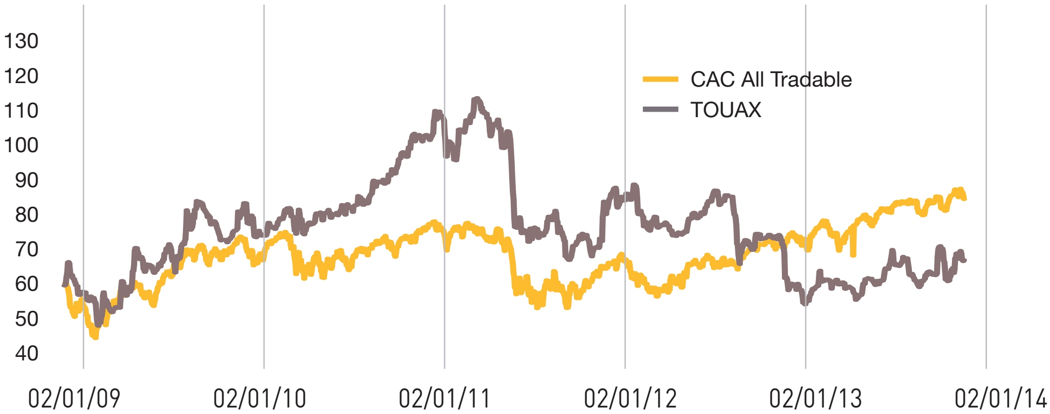
ISIN code : FR0000033003
Mnemonic code: TOUPFP
Listed on NYSE Euronext (Paris)
Indices: CAC® Small and CAC® Mid & Small
SRD Long Only

Distribution of capital and voting rights on December 31, 2013



Share price performance over 5 years

(rebased to 100 at January 2, 2009)



Source: Euronext

Share price data

	2013	2012	2011
Maximum share price (€)	21,45	26.15	32.99
Minimum share price (€)	15,71	19.19	19.60
Price at December 31 (€)	18.94	21.71	21.80
Share price performance	-10.78%	-0.40%	-26%
CAC 40 performance	18%	15%	-17%
Total number of share at December 31	5,883,773	5,740,267	5,720,749
Market capitalization at December 31 (1)	111.44	124.62	124.71
Number of shares traded	1,041,020	941,405	1,053,734
Capital traded (1)	21.83	21.59	29.35

(1) euro millions

Share price ratios

	2013	2012	2011
Net earning per share	-2.63	1.6	2.35
P/E ratio	-7.20	13.57	9.28
Net dividend per share	0.5*	0.5	1
Total return on the share	2.60%	2.80%	4.60%

* subject to GSM approval on June 11, 2014

SHAREHOLDERS' AGENDA

May 13, 2014
Announcement of Q1 2014 revenues

June 11, 2014
General Shareholders' Meeting

August 28, 2014
- Announcement of Q2 2014 revenues
- Announcement of H1 2014 results

November 13, 2014
Announcement of Q3 2014 revenues

February 12, 2015
Announcement of Q4 2014 revenues

week of March 23, 2015
Announcement and presentation of the Group's 2014 results

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1. PERSONS RESPONSIBLE

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

Fabrice and Raphaël WALEWSKI, Managing Partners

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

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

We confirm to the best of our knowledge that the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the Group as well as all consolidated companies, and the management report in section 26.1 page 96 herein presents a true and fair view of the development and performance of the business, profit or loss and financial position of the Group and all consolidated companies, together with a description of the principal risks and uncertainties that it faces.

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

The consolidated historical financial information for the year ending December 31, 2013 is described in the auditors' reports, appearing on page 89 of this document, as well as those incorporated as a reference for the 2012 and 2011 fiscal years. For the 2011 fiscal year, the auditors stated in their report on the consolidated financial statements appearing on page 102 of the reference document submitted to the Autorité des Marchés Financiers an observation relating to accounting. »

April 10, 2014

Fabrice WALEWSKI

Managing Partner

2. STATUTORY AUDITORS

2.1. STATUTORY AUDITORS DETAILS

	Date of first appointment	Mandate expiry
Principal Statutory Auditors		
DELOITTE & Associés Represented by M. Alain Penanguer 185, Avenue Charles de Gaulle - 92200 Neuilly sur Seine	June 6, 2000 renewed during the Ordinary General Meeting held June 27, 2011	Following the Ordinary General Meeting held in 2017 to approve the 2016 financial statements.
LEGUIDE NAIM & Associés Represented by M. Charles Leguide 21, rue Clément Marot - 75008 Paris	July 29, 1986 renewed during the Ordinary General Meeting held June 10, 2010	Following the Ordinary General Meeting held in 2016 to approve the 2015 financial statements.
Substitute Statutory Auditors		
B.E.A.S. 7-9 Villa Houssay - 92200 Neuilly sur Seine	June 6, 2000 renewed during the Ordinary General Meeting held June 27, 2011	Following the Ordinary General Meeting held in 2017 to approve the 2016 financial statements.
Thierry Saint-Bonnet 145, rue Raymond Losserand 75014 Paris	Ordinary General Meeting held June 10, 2010	Following the Ordinary General Meeting held in 2016 to approve the 2015 financial statements.

2.2. CHANGE IN STATUTORY AUDITORS

Not applicable

3. SELECTED FINANCIAL INFORMATION

3.1. SELECTED HISTORICAL FINANCIAL INFORMATION

Key figures of the consolidated income statement

(€ thousands)	**2013**	2012	2011
Leasing revenue	206,104	219,034	221,419
Sales of equipment	143,158	138,952	114,395
Revenue	349,262	357,986	335,814
EBITDAR (EBITDA before distribution to investors) (1)	102,487	118,266	118,862
EBITDA (EBITDA after distribution to investors) (1)	50,861	61,777	57,748
Current operating income	7,349	29,042	31,481
Consolidated net profit/(loss), Group's share	(15,303)	9,146	13,434
Net earnings per share (€)	-2.63	1.60	2.35

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

Key figures of the consolidated balance sheet

(€ thousands)	**2013**	2012	2011
Total assets	744,568	776,135	606,601
Gross tangible assets (1)	681,675	649,708	474,490
ROI (2)	7.46%	9.51%	12.17%
Total non-current assets	562,836	563,769	410,612
Shareholders' equity - Group's share	156,856	148,978	146,883
Consolidated shareholder's equity	184,405	173,013	146,316
Minority interests	27,549	24,035	(567)
Gross debt	453,589	491,783	364,050
Net debt (3)	399,565	432,639	319,791
Dividend paid per share (€)	0.5	1	1

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

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

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

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

The selected historical financial information is supplemented by the management report in section 26.1 page 96.

3.2. SELECTED FINANCIAL INFORMATION FOR INTERMEDIATE PERIODS

Not applicable

4. RISK FACTORS

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

4.1. LEGAL RISKS

4.1.1.Key issues and constraints related to legislation and regulations

Some of the equipment leased or sold by TOUAX may be subject to new technical or safety regulations requiring it to be brought into compliance with standards or making some units obsolete. The Group would have to cover the costs of backfitting due to these changes, but this would affect all players within the sector and would probably make it possible to partly revise the leasing prices.

The Group has technical teams responsible for monitoring changes in standards. TOUAX complies with the most advanced standards in force, according to the regulations applicable in the countries concerned, in order to limit its exposure to regulatory risks.

- **Modular Buildings**

Modular buildings are subject to building regulations and safety standards. A change in standards would require equipment to be brought into compliance, which would apply to all players in the modular building sector. In France, the RT 2012 energy standard applies to all modular buildings leased for over 24 months given that the existing equipment can always be used for periods of less than 24 months. In Germany the EnEv standard applies. Some equipment is backfitted for longer periods of use. Backfitting makes it possible to improve the equipment and is taken into account when invoicing customers.

- **River Barges**

Each river barge obtains a seaworthiness certificate which makes it possible to check that the ship has undergone all of the statutory inspections. This certificate must be renewed regularly. The regulations change periodically, in particular regarding safety, making boats subject to new technical specifications. These changes result in backfitting costs. The changes do not involve a risk of obsolescence of existing units, since the Group does not operate barges for transporting dangerous materials.

- **Freight Railcars**

The European Union has adopted a certain number of texts relating to rail transport, and in particular to rail safety and maintenance of the equipment. These texts create rights, obligations and responsibilities for the players, in particular concerning maintenance. These standards apply to all players and in some cases apply to all railcars in use. To ensure the compliance of its organization, TOUAX has obtained ISO 9001 certification, as well as Entity in Charge of Maintenance (ECM) status. The Group belongs to European working parties set up to develop the regulations applicable to the sector.

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

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

There are no significant disputes or arbitration other than those mentioned in the following paragraphs, as well as in section 20.8 page 91.

- **Modular Buildings**

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

- **River Barges**

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

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

- **Freight Railcars**

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

4.2. ENVIRONMENTAL AND MARKET RISKS

4.2.1.Business risk

- **Shipping Containers**

Demand for containers is linked to changes in container traffic and total transport traffic. Fluctuations depend on the level of global economic growth and of international trade. The economic risk corresponds to the risk of cyclical recession, and recent years have been characterized by low growth in developed economies and a financial risk that may affect customers' credit capacity. They are limited both by the large number of long-term lease agreements and by the quality of the Group's services and equipment, which reflect the quality of its customer base. Almost 81% of the fleet of shipping containers is leased under non-cancelable contracts for average periods of three to five years with leasing prices that are not subject to alteration. The 25 leading ship owners in the world work with the Group.

Modular Buildings

Demand for modular buildings depends on three separate markets: the public buildings and works sector, local authorities and industry.

The construction & civil engineering market has strict rules set by the main construction companies. These companies impose their conditions and lease prices (master agreements). They apply penalties in case of failure to abide by the rules. Demand for modular buildings is closely linked to the traditional construction market. Trends in the construction & civil engineering sector depend locally on the risk of cyclical recession and government policies to support or revive the sector in order to maintain demand. To reduce inherent risks, the Group has diversified its business between industries and local authorities, while applying the same rules to its own suppliers, thereby transferring part of the risks.

The local authorities market is regulated (invitations to tender, strict procedures, etc.). This market is highly dependent on government and local investment policies and on the budgets allocated. Demand for leasing or purchase of modular buildings by local authorities mainly concerns classrooms, day-care centres and hospital extensions. Risk of a contraction in the market is tempered by the term of the Group's lease agreements, which are generally for more than one year.

The industrial market depends closely on industrial investments. Demand for modular buildings is influenced by office space cost and availability, the employment market, and companies' needs for flexibility. The low cost of modular buildings compared to traditional buildings, and their flexibility, enable the Group to increase its sales.

The modular building leasing business is mainly established in Europe and for several years has suffered from the slowdown in the European economies. The Group has established itself in North Africa to limit its exposure to the risk of recession in the European market, and look for new drivers for growth.

River Barges

Demand for containers is linked to changes in river transport. These changes depend on the level of economic growth in the countries through which the rivers flow, as well as on the policies for importing and exporting raw materials. Demand for containerized river transport also depends on international trade. The economic risk corresponds to the risk of cyclical recession at global level or in a specific zone. This risk does not have an impact on long-term leases, and is limited by geographical diversification of the Group across several basins, in particular in South America.

Freight Railcars

Demand for freight railcars is linked to changes in rail transport. Rail transport depends on developments in global and intra-European trade.

In Europe the market depends, in part, on European and governmental policies, in particular for the development and renovation of infrastructures. The share of rail transport has fallen significantly over the last few decades due to the lack of these investments. The Group considers that deregulation of rail transport, the current structural investment policies and the advantages of this method of transport, which is deemed to be more environment-friendly, should contribute to an increase in rail transport in the medium term.

Economic risk corresponds to the risk of cyclical recession. This risk does not impact long-term leases and is limited according to the zones where the Group is present. The freight railcar leasing business is mainly established in Europe and for several years has suffered from the slowdown in the European economies. In order to limit its exposure in Europe, the business is looking for growth drivers in Asia and the United States.

4.2.2.Geopolitical risk

Apart from the Modular Building business, demand for shipping containers, freight railcars and river barges depends on international trade. The geopolitical risk corresponds to the risk of protectionist measures taken by countries (increase in customs tariffs, curbed imports, government regulations, etc.). The Group limits its exposure to this risk by signing long-term lease agreements. Risk management is based on an analysis of the breakdown in the Group's long-term and short-term lease agreements, by customer and geographical area.

4.2.3.Exposure to sustained competition

The Group's businesses face sustained competition.

Shipping Containers, Freight Railcars

The Shipping Containers and Freight Railcar businesses are competitive businesses with numerous leasing campaigns, production plants and financing organizations. Pressure on prices from competitors can force the Group to reduce its prices and consequently its margins. Moreover, the sea and rail freight companies also own equipment, which limits demand for leasing. Alternative methods of transport by road or river also indirectly compete with rail transport.

In order to limit this risk, the Group applies a growth and differentiation policy, to offer services that retain competitive advantages over rivals.

Modular Buildings

The modular building sector is a fragmented market with a few big leaders such as Williams-Algeco. Depending on the demand, the Group competes with these large companies or with small local players, and implements a differentiation strategy on a case-by-case basis, based on price, the availability of the service, quality, delivery lead times or the equipment provided.

The Group is also looking for growth drivers in emerging countries where there is less competition.

River Barges

There are no rival operational leasing companies for river barges, only financing organizations that indirectly compete with the business. Moreover, alternative methods of transport by road or rail compete indirectly.

4.3. RISKS LINKED TO THE BUSINESS

4.3.1.Commercial risk

Commercial risk is assessed according to the equipment utilization rate. To ensure that the equipment is leased, the Group gives priority to long-term non-cancelable leases and optimizes the utilization rate and leasing prices with shorter leases. Early termination of leases results in significant penalties.

In an unfavorable market environment, the fall in utilization rates and leasing prices affects the results of the leasing businesses.

Shipping Containers

Worldwide economic growth, particularly concerning international trade, has a major impact on the demand for shipping containers. Growth in the sector was confirmed in 2013 generating demand for shipping containers. The average utilization rate of shipping containers remained high in 2013 at 93%. In order to limit the impact of economic cycles, the Group concludes long-term, fixed-price agreements and increased sales of used containers.

Modular Buildings

The Modular Building business is mainly located in Europe. In 2013, the economic situation in Europe was at a low ebb with very weak economic growth in those countries where the Group was present. All of the sectors targeted by TOUAX experienced difficulties, and limited their budgets or deferred their investments. This resulted in a fall in leasing prices and utilization rates. In order to protect itself against falling prices and a drop in the utilization rate, TOUAX is diversifying into sectors and regions where prices remain at adequate levels and is developing its equipment sales businesses in Africa. The slow recovery of the market in Europe and the United States is restricting a rise in prices and utilization rates and is having repercussions on operating margins.

River Barges

The river barge leasing business depends on demand for river transport of goods. The current weakness of the European economy makes it impossible for the river barge leasing business to achieve high levels of profitability in Europe, while those of the American continent are more healthy.

Freight Railcars

The quantity of goods transported by rail in Europe did not increase in 2013. In general, the lack of any recovery in the market makes it difficult to increase utilization rates and operating margins. It should be noted however that customer demand is highly variable according to the type of equipment, with excess capacity on the market for some types, and insufficient capacity for others.

4.3.2.Counterparty risk concerning customers

Provisions for depreciation of the Group's trade receivables are detailed in the notes to the consolidated financial statements note 18.1.3 page 73.

Shipping Containers

Customer default risk is ultimately borne by the equipment owners. As the Group mainly performs third-party asset management for leasing shipping containers, the counterparty risk for the Group's customers is low and only concerns the equipment that it owns in full. Moreover, the quality of TOUAX's customers, in particular the 25 biggest shipping companies, limits the risks of insolvency. The Group relies on daily contact with its customers and a weekly review and analysis system for its customer portfolio, in order to implement preventive or corrective actions as necessary.

Modular Buildings

The Modular Building leasing business is diversified among several market segments (construction & civil engineering, industry, and local authorities) and several geographic areas (11 countries). It also has a large number of customers. The risk of default by customers is very varied at divisional level, but can be significant at country level. Risk analysis is carried out for all new customers. Since 2012, the Group has consolidated its customer monitoring procedures. Risks are measured and analyzed for each country based on periodic reviews of the customer portfolio.

River Barges

The customer portfolio is monitored periodically to manage the risk of default. To reduce this risk, security deposits are requested according to customer quality.

Freight Railcars

Customer default risk is ultimately borne by the equipment owners. The Group only bears risks for equipment that it owns in full. The Group does not bear the risk of customer default in its third-party asset management business. Since 2012, the Group has consolidated its customer monitoring procedures, with increased monitoring of default risk and a regular review of the customer portfolio.

4.3.3.Risk of dependence

Patents, licenses

The Group is not significantly dependent on any patent or license holders, procurement, industrial, business or financial agreements, new manufacturing processes and suppliers, or local authorities.

Customers, suppliers

Leasing is a recurring, stable business. As such, leasing revenues are not very volatile. The business sectors are distinct, and the customers and suppliers for each sector are different. The businesses use low-tech equipment which can easily be built and leased. In each of its businesses, the Group has a diversified portfolio of customers and suppliers, and is not dependent on any one leasing customer or supplier. Nevertheless, the five biggest customers of the river barge, freight railcar and shipping container leasing businesses account for 30% of the leasing revenue. There are not many river barge, freight railcar and shipping container production plants and the Group works with a few in particular (cf. supplier risk).

Third-party asset management is also a recurring business. However, the signing of new management programs, and therefore the sale of equipment and disposal of assets, may fluctuate considerably from one quarter to another or from one year to the next. The Group sells equipment to a limited number of investors: 30% of the turnover from equipment sales in 2013 came from a single investor. Dependence on that investor decreased in 2013. In order to minimize the risk of dependence on investors, the Group increased in 2013 the number of investors with which it works, however the market conditions under which the Group leases its equipment may not meet the investment criteria of some investors.

The biggest customer accounts for an estimated 10% of revenues, the top five customers account for 24% of revenues and the top ten represent 30%. The primary customer is the equipment investor mentioned previously.

4.3.4.Supplier risk

With the exception of the modular buildings, the Group purchases equipment that it sells or leases. The Group pays close attention to the quality of the equipment purchased. The Group may find itself in a situation where it is unable to procure new equipment rapidly should production plants have no more available order capacity. It should be noted that the current economic uncertainty has limited the production capacities of certain suppliers in some zones. Supplier risk is limited in time and does not impact the Group's growth.

- **Modular Buildings**

In its role as manufacturer, the Group's production of modular buildings may slow down if a supplier of intermediate products or spare parts runs into financial or technical trouble. To prevent any interruption to supplies, the Group has developed a diversified network of primary and secondary suppliers and synergies between the different assembly sites. This risk is limited to the new equipment produced by the Group.

4.3.5.Risk of shipping container location and loss

Containers are sometimes returned by lessees in areas where demand for containers is low. In order to protect itself from this risk, the Group contractually controls return locations and applies “penalties” (drop off charge) when it recovers containers in locations with a low demand. The Group has also set up a used container sales department in order to reduce inventory in locations with a low demand. Furthermore, containers can also be lost or damaged. In such cases, the Group invoices its customers for the replacement values previously accepted in each lease agreement.

4.3.6.Technological and quality risk linked to modular buildings

Modular buildings may be affected by technical obsolescence following quality improvements in rival equipment or (aesthetic) upgrades requested by customers. Research into quality materials generates extra costs. The Group invests in high-quality equipment over and above existing standards and rival products, enabling the Group to minimize the extra costs inherent in new materials.

4.3.7.Sub-contracting risk

- **Modular Buildings**

Taking into account the variety of modular building assembly and installation sites, the Group uses a significant number of subcontractors. The Group has introduced procedures to regularly control the conditions in which subcontractors work. Moreover, the risks that may arise on the building sites are covered by insurance policies.

- **Freight Railcars**

As an Entity in Charge of Maintenance, the Group maintains its own railway equipment as well as that of companies who are unable or unwilling to do so. The Group does not have its own workshops and has concluded agreements with workshops whereby they will carry out maintenance for TOUAX. In order to minimize the quality risk, the Group has decided to work only with certified workshops and has introduced technical inspection procedures. TOUAX also relies on daily interactions with these workshops.

4.3.8.Environmental risk

The environmental risks likely to affect the company’s assets or income are insignificant, since the Group is mainly a service provider.

- **Shipping Containers**

In some countries, particularly the US, shipping container owners may be liable for any environmental damage caused as containers are unloaded. The Group has taken out insurance to cover against this type of risk and has obliged its customers to do likewise. No significant disputes have occurred or are currently pending in terms of environmental risks, since the Group does not operate tank containers.

- **Modular Buildings**

The environmental impact of producing modular buildings is limited due to the minimal use of paints and solvents. The Group reduces these risks by complying with current health and safety standards.

4.3.9.Seasonal variation

- **Modular Buildings**

The construction and civil engineering business experiences seasonal variations linked to weather conditions, which can slow down the division's business at certain times of the year. To guard against this risk, TOUAX strives to balance its business and customer portfolio with less seasonal market segments.

4.3.10.Management risk

A considerable portion of the container and freight railcar fleets (71%) managed by the Group belongs to third-party investors or investment companies owned by institutional investors. Management contracts govern relations between each investor and the Group. The Group does not guarantee any minimum revenues and, under certain conditions, investors can terminate the management contract and request that their assets be transferred to another manager. The third-party asset management business solely involves providing services which cannot on any account be considered to constitute a partnership or any other form of legal entity between the Group and the investors.

TOUAX has reduced the risk of terminated management contracts by diversifying the number of investors. A report summarizing the assets under management is produced every month. Not one investor has withdrawn management of its assets from the Group in the last 20 years.

Management contract termination clauses vary according to the program.

The main reasons for which contracts can be terminated are as follows:

- material non-performance of any one of the manager’s obligations (such as evidence of discriminatory management),
- bankruptcy or winding-up of TOUAX in its capacity as an asset manager,
- failure by TOUAX to pay any revenues collected and owing to its different investors,
- a change in the majority stockholder.

Only in certain specific cases can a contract be terminated due to the poor performance of an investment managed by TOUAX.

4.4. FINANCIAL RISKS

4.4.1.Liquidity risk

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

Liquidity risk management is assessed according to the Group's requirements set forth in the notes to the consolidated financial statements note 26 page 80.

The list of loans containing specific clauses and commitments is mentioned in note 18.2.3 and note 26 page 80 of the notes to the consolidated financial statements.

4.4.2.Interest rate risk

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

Interest rate risk management is described in the notes to the consolidated financial statements note 26 page 80.

4.4.3.Currency risk

Information on currency risk and its management is provided in note 26 of the notes to the consolidated financial statements, page 80.

Because of its international presence, the TOUAX Group is naturally exposed to currency fluctuations. These fluctuations may affect the Group's results via the conversion into euros of accounts for its subsidiaries outside the euro zone. This makes it difficult to compare performance between two fiscal years. The Group's exposure to currency risk is mainly linked to fluctuations in the US dollar, the Czech crown and the Polish zloty against the euro.

The Group believes it has minimal exposure to operational currency risk, as most of the expenses are generated in the same currency as the income. The Group considers that a 10% decrease in the exchange rate of the US dollar vs. the euro would cause an 11% drop in current operating income. Similarly, a 10% drop in the Czech crown would cause a drop in current operating income of 1%, while a drop in the Polish zloty would result in a 1% increase in current operating income.

4.4.4.Risk on equity and other financial instruments

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

The equity risks are described in the notes to the consolidated financial statements note 26 page 80.

Risk of dilution for stockholders

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

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

4.4.5.Counterparty risk

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

This risk is set out in the notes to the consolidated financial statements note 26 page 80.

4.4.6.Raw material prices risk

Equipment purchase prices vary according to the volatility of commodity prices, especially steel, which represents the main component of the shipping containers, freight railcars and river barges. Such volatility is not only attributed to the economic mechanism of supply and demand, but also to sensitivity concerning exchange rate fluctuations when commodity prices are listed in dollars (see exchange rate risk note 26 page 80.

The rise in commodity prices has a knock-on effect on the final prices of equipment, while inflation also has a positive impact on equipment sale prices and residual values. Lease prices are mainly correlated with equipment prices. However, in an environment where there is pressure on leasing or sale prices or if it is difficult to lease equipment, the Group may record a temporary drop in profitability. This risk is limited thanks to the duration of the leases and the service life of the equipment. To date, the Group has not observed any major drop in prices due to the significant reduction in production capacity.

Volatile commodity prices can also affect the prices of ordered equipment for firm purchase agreements spread over time. This Group is reducing this risk by restricting its firm commitments and by negotiating indexing mechanisms for commodity prices, especially steel. For freight railcars, orders are placed for new railcars once the Group has concluded a lease for the railcars. However it may not be possible to pass on the whole of the increase in the price of steel to the lessee, resulting in a fall in profitability.

4.5. INSURANCE – COVERAGE OF THE RISKS

Risks concerning the lessor’s civil liability in terms of operating equipment are always covered. Only the risks relating to operating losses are not always covered. The directors and business managers are responsible for assessing and covering the risks of operating losses in line with market conditions.

The Group has a systematic policy of insuring its tangible assets and its general risks. The Group has three types of insurance policy: equipment insurance, operational liability insurance, and liability insurance for company officers. The Group does not have a captive insurance company.

The risk of losses or damage to tangible assets in the Modular Building, River Barge and Freight Railcar divisions is covered by the equipment insurance policy (comprehensive property insurance). Insurance for tangible assets in the Shipping Container division is delegated to the Group's customers and suppliers (warehouses) in accordance with standard business practices. Operating losses arising from lost or damaged tangible assets are covered by tangible assets insurance.

Third-party liability insurance of the TOUAX SCA parent company covers physical injury occurring in the normal course of operation. The Group's subsidiaries each have their own third-party liability insurance.

Public liability insurance for company officers covers incumbent and acting managers of the Group whose liability could be invoked due to an act of professional misconduct as part of their management, supervisory or leadership activity performed with or without a mandate or delegated authority.

The Shipping Container business has third-party liability insurance. Equipment is insured directly by customers and warehouses in accordance with standard business practices.

Modular Buildings insurance guarantees the value of equipment as a whole and specifically when it is at warehouses or on lease and when the customer has neglected to take out insurance during the lease term. In particular, this insurance covers the risks of explosions, fire, hurricanes, storms, collisions, water damage, natural disasters, theft, and so on.

All risks river barge insurance covers, among other risks, damage, loss and total theft, third-party claims and costs arising from navigation accidents, explosions, fire or any case of force majeure and more specifically damage arising from malfunction of the propulsion or steering mechanisms, breakdown of machinery, electrical damage, leaks, damage arising from incorrect berthing or loading, mooring risks, damage to third parties and in particular to engineered structures, risks of pollution, salvage costs and costs arising from investigations, surveys, proceedings, and legal representation. Damage resulting from acts of vandalism and/or with malicious intent. Finally the insurance policy includes coverage of the carrier's tort liability as specified by the law and regulations. In general, the coverage and guarantee amounts depend on the units and operating basins.

The Freight Railcar business has third-party liability insurance and equipment damage insurance covering the cost of losses and damages arising from natural disasters, fires, explosions, theft or loss, and any event beyond the Group's reasonable control. Insurance also covers loss of lease revenues if a damaged railcar is immobilized for repairs.

The Group believes adequate coverage in accordance with market practices and rules is in place for its risks, especially those concerning its equipment.

5. ISSUER INFORMATION

5.1. COMPANY HISTORY AND DEVELOPMENT

5.1.1.Business name and commercial name

TOUAX SCA

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

5.1.2.Place of incorporation and registration number

- Register of companies

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

Telephone: +33 1 46 96 18 00

- Identification

Register of companies: Nanterre B 305 729 352

SIRET: 305 729 352 00099

APE: 7010Z

Listed on NYSE Euronext in Paris – Compartment C

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

5.1.3.Date of incorporation and duration

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

5.1.4.Legal status and legislation

- Company legal status

Partnership limited by shares

- Financial year

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

- Share capital

On December 31, 2013 the company's capital comprised 5,883,773 shares with a par value of €8.

The capital is fully paid up.

- Company legislation

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

- Viewing of the company's legal documents

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

- Information policy

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

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

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

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

- Persons responsible for financial information

Fabrice and Raphaël WALEWSKI

Managing Partners of TOUAX SCA

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e-mail : touax@touax.com

5.1.5. Historical background

Refer to the timeline on pages 12 and 13.

5.2. INVESTMENTS

5.2.1. Principal investments

The Group's business is to lease shipping containers, modular buildings, river barges and freight railcars. The Group also has the cross-functional activity of third-party asset management. Consequently, by the end of 2013, 54% of assets under Group management were financed by investors and entrusted to the Group under management contracts. The Group's growth policy is based on new equipment lease agreements with its customers, requiring new investments funded by third-party investors as part of the Group's management programs or by the Group using its own financing resources. In 2013, the share of assets owned by the Group remained the same compared with 2012.

The Group is keen to pursue growth in its four core businesses by increasing the amount of new equipment on long-term lease agreements. In 2014, the Group will prioritize investments financed by third parties. The objective is to generate further economies of scale, with a return on equity of 15% by optimizing the Group's borrowing capacity. The return on equity corresponds to the ratio of net profit / stockholders' equity. This is the concept usually calculated by financial analysts. These investments include Group-owned and third-party assets. To achieve these objectives, the Group balances out the ratio between managed and proprietary assets using a distribution rule that varies according to the business. At present, the breakdown of managed assets is 46% owned equipment and 54% equipment belonging to third-parties. The assets held by fully consolidated subsidiaries are wholly included in the Group's assets, even if the Group invested in partnership with minority stockholders.

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

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

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

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

In 2013, the economic conditions in Europe, particularly for the modular building and freight railcar business, resulted in a certain amount of pressure on the leasing prices and utilization rates. However, the investors continued to show an interest in the assets managed by the Group, which made it possible to sign new asset management contracts. Moreover, TOUAX always seeks to acquire fleets of existing equipment.

In 2013, the Group made the following investments on its own behalf and for investors:

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

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

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

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

In 2011, the Group made the following investments on its own behalf and for investors:

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	TOTAL
Gross Capital Assets Investments	1,030	40,277	5,818	19,550	1,795	68,470
Variation in Stocks of Equipment	3,330			(12,514)		(9,184)
Sale of Capitalized Equipment (historical gross value)	(2,258)	(7,913)	(3,198)	(2,005)	(547)	(15,921)
Investments in capital and in stock	**2,102**	**32,364**	**2,620**	**5,031**	**1,248**	**43,365**
Equipment sold to investors (finance lease)						
Gross investment in managed assets	38,915			39,269		78,184
Capitalized equipment sold to investors						
Sale of Capitalized Equipment	(11,098)	(18,180)	(11)	(19,759)		(49,048)
Net Investments in Managed Assets	**27,817**	**(18,180)**	**(11)**	**19,510**		**29,136**
NET INVESTMENTS	**29,919**	**14,184**	**2,609**	**24,541**	**1,248**	**72,501**

The following non-current investments were recognized in the Group's consolidated financial statements as of December 31, 2013:

Net capital assets investments during the fiscal year *(€ thousands)*	**2013**	2012	2011
Net investments in intangible assets	175	885	169
Net investments in tangible assets	22,045	132,748	53,037
Net investments in financial assets	(458)	(1,809)	(658)
TOTAL net investments	**21,762**	**131,824**	**52,548**

Breakdown by business of net capital assets investments *(€ thousands)*	**2013**	2012	2011
Shipping Containers	(6,832)	2,911	(1,228)
Modular Buildings	14,821	22,115	32,364
River Barges	(486)	5,508	2,620
Freight Railcars	14,208	101,147	17,544
Miscellaneous	51	143	1,248
TOTAL	**21,762**	**131,824**	**52,548**

Methods of financing of net capital assets investments *(€ thousands)*	**2013**	2012	2011
Cash / loans	11,160	131,824	52,548
Leasing	10,602		
Management contract with third party investors	**21,762**	**131,824**	**52,548**

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

5.2.2.Principal current investments

Orders and investments paid since the beginning of 2014 come to €4.3 million approximately, as of January 31, 2014, including €3.6 million in shipping containers, €0.4 million in modular buildings and €0.3 million in river barges.

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

5.2.3.Firm investment commitments

Firm orders and investments as of December 31, 2013 come to €23.6 million, including €19.6 million in shipping containers, €3.1 million in modular buildings, €21.45 million in railcars and €0.45 million in river barges.

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

The overwhelming majority of orders for shipping containers and railcars are intended for sale to third-party investors. Orders for modular buildings and river barges are mainly intended for the Group.

5.2.4.Breakdown of managed assets

The value of the managed assets presented below corresponds to the equipment purchase prices. Assets in US dollars are values at the exchange rate of December 31, 2013. Fluctuation in the value of the US dollar leads to fluctuation in the value of the equipment from one year to the next.

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

(in thousands of euros)	2013		2012		2011	
	owned by the Group*	owned by investors outside the Group	owned by the Group*	owned by investors outside the Group	owned by the Group*	owned by investors outside the Group
Shipping Containers	79,296	657,718	76,301	642,497	46,833	601,767
Modular buildings	331,195	32,181	318,485	32,181	293,684	32,181
Freight railcars	247,482	141,542	233,675	171,932	122,327	262,775
River barges	78,967	19,215	81,034	24,215	77,359	19,215
TOTAL	**736,940**	**850,656**	**709,495**	**870,825**	**540,203**	**915,938**

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

There are no assets managed as part of the securitization on December 31, 2012 and 2013, and they represented 1% of the assets managed for third parties on December 31, 2011.

Equipment used by the Group under operational leases is recognized in managed assets, while equipment used by the Group under financial leases is recognized in Group-owned assets. Details on non-recourse operating leases can be found note 28.1 page 84 of the notes to the consolidated financial statements, section 20.1.

6. BUSINESS OVERVIEW

6.1. CORE BUSINESSES

6.1.1.Types of operations and core businesses

The TOUAX Group is a leasing company for shipping container equipment, modular buildings, freight railcars and river barges. The Group manages its own equipment as well as equipment for third-party investors. The breakdown in managed assets is detailed in section 5.2.4 page 29.

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

When the Group manages its own equipment, it purchases or manufactures the equipment (depending on the business), then leases or manages it (including maintenance and repairs) and then sells or destroys it at the end of its life cycle.

The Group also provides third-party asset management. This management activity begins with the Group buying or manufacturing equipment, building up a lease equipment portfolio and subsequently selling that equipment to investors (syndication), and finally managing that portfolio on behalf of investors. These investors are family offices, financial companies or investment companies that want to diversify their investments with recurring yields from real and tangible underlying assets with a long service life.

At each stage of this cycle, the Group makes a profit: a profit on leasing (owned equipment), syndication (equipment purchase and sale to investors), management (managed equipment) and trade (equipment purchase and sale to final customers).

The accounting treatment of this profit is the following:

- Leasing profit is included in the leasing revenue, which concerns all the equipment managed by the Group, both owned and managed equipment. The Group acts as a principal and not as an agent. Similarly, the recognized operating expenses correspond to all equipment managed.
- The third-party management profit margin is included in the leasing revenues from managed equipment less the associated operating expenses and less the revenues distributed to investors. The third-party management margin is equivalent to the Group's management commission.
- The syndication margin is recorded in sales profits (sales less the cost of sales). The syndication portfolio is made up of third-party investors in the Shipping Container, Freight Railcar and Modular Building businesses.
- The trade margins (sales excluding syndication) are also recognized as sales / cost of sales. Concerning the Modular Building business, the Group produces and sells modular buildings to its customers and therefore shows trade margins. Similarly, the Freight Railcar and Shipping container businesses show trade margins.
- Capital gains on the residual values of the Group's assets are recognized as sales margins.

The breakdown in revenues for each core business and geographic area is described in the notes to the consolidated financial statements section 20.1 page 43. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on April 2, 2014 is provided in section 28.3 page 135.

The Group's Shipping Container business

includes leasing and hire-purchase, third-party asset management, and the sale of new and used containers.

The Group managed a container fleet of about 602,000 TEU at the end of December 2013, most of which was managed on behalf of third parties. Almost 89% of the fleet of shipping containers belongs to third parties and the remainder belongs to the Group, given that almost 40% of the equipment held by the Group is intended for sale to third parties in the near future (less than one year).

TOUAX leases to numerous shipping companies, including the 25 biggest companies in the world. The average utilization rate in 2013 was 93%. TOUAX also syndicates equipment to investors. The syndication cycle is relatively short and can vary from between 6 months to one year. It comes down to the purchase of equipment, leasing of this equipment and its sale to investors.

The Shipping Container business is essentially an international business with the Group working worldwide. In order to limit risks and improve its visibility, the Group prefers to sign long-term leases, which vary from 3 to 5 years and can reach 7 years. The leases have an average term of 6.4 years, and often continue after the initial expiry date.

The shipping containers leasing market is relatively concentrated, with about ten major players, four of which are very large, and financing organizations that may also provide leasing. TOUAX is a major player with 3.8% of the global market share and ranked 9th in the world (source Drewry Container Leasing Industry 2013/14).

The shipping container market has undergone structural growth in response to the increasingly globalized marketplace: The global fleet of containers has increased from 28 million to 32.9 million TEU within 5 years. The forecasts for growth in containerized traffic are 6% in 2014 and 7% in 2015:

Annual growth rate	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015*
Containerized trade	11%	12%	4%	-9%	13%	7%	3%	5%	6%	7%
Container ships	14%	12%	11%	5%	8%	7%	5%	5%	5%	6%
Container fleet	9%	13%	7%	-4%	7%	8%	5%	5%	6%	6%

* Estimates

Source: Clarkson Research Services Ltd – Feb. 2014 & Drewry Container Leasing Industry 2013/14

The average annual growth of the TOUAX fleet, which is 7.2 years old on average, is 10.8% over 10 years, while the average annual growth of the market is 6.7%.

The Clarkson Institute forecasts a continuation of sustained growth of market quantities in 2014 and positive growth prospects for global production of 3.7%, and more specifically, of 5.1% for the emerging and developing economies (IMF). In the medium-term, the Group's objective is to manage, on its own behalf or on behalf of third-parties, a fleet of more than 800,000 TEU (7% of the global market) and thereby seize every opportunity to increase investments and enlarge the fleet under management.

The Group's Modular Building business

manufactures modular buildings, leases or sells them and provides a certain number of services for customers, including assembly and facility management in particular.

The Group managed about 51,000 modules at the end of December 2013, and mainly manages the equipment on its own behalf. Almost 91% of the managed fleet belongs to the Group.

TOUAX leases to very many customers, in particular large construction and civil engineering firms, local authorities and industries. The utilization rate was 68% and the average age of the fleet was 6.8 years in 2013.

The modular buildings are currently built by the Group in its assembly plants in the Czech Republic and Morocco. Production enables the Group to diversify into sales activities, which often require more personalized production. In France, the Group stopped producing modular buildings at the end of 2013 in order to focus its attention on less complex sales.

The Modular Building business is located in three major zones, with 66% of the revenue achieved outside France:

- in Europe, thanks to its entities in France, Germany, Spain, Belgium, the Netherlands, Poland, the Czech Republic and Slovakia, with each country targeting its own market;
- in the USA with an entity based in the United States in order to gain access to the states of Florida and Georgia and an entity based in Central America to gain access to Central and South America;
- in Africa with the acquisition of the Moroccan leader in 2012 in order to canvass the African continent.

The modular buildings market is fragmented. TOUAX may be in competition with very large players, in particular in France and the USA, or with a multitude of small or medium-sized players with a local reputation. TOUAX is the second largest leasing company in Europe with a market share of 7.5% in continental Europe (source TOUAX).

In order to limit risks and improve its visibility, the Group prefers to sign long-term leases, which can vary from 18/24 months to 5 years. The average term of the leases for modular buildings is about 22 months.

The number of modular buildings available for leasing in Europe has risen from 250,000 to 500,000 units in 15 years (source: TOUAX). The average annual growth of the TOUAX fleet is 10.2% over 10 years, whereas the estimated average annual growth of the market is 4.7%.

In the medium term, the Group's objective is to improve the utilization rate in all the European countries where the Group is located in order to return to a standardized profitability, given that TOUAX is not expecting any recovery in 2014. In order to tackle this economic situation, TOUAX has taken measures to reduce its costs by closing production in France and lowering the break-even point of two other assembly centres in particular. TOUAX is focusing on business development, with the launch of offers on secondhand equipment on new products in new countries.

TOUAX is also pursuing its international business expansion with the acquisition of the Moroccan leader in the modular buildings sector in 2012. This company contributed almost 10 % of the total turnover of the division in 2013 and 28% of the sales turnover of the division. TOUAX has noted strong demand on the African and South American continent, notably for site facilities, low-cost accommodation and modular buildings for companies and local authorities.

- **The Group's River Barge business**

includes leasing and hire-purchase, and the sale of new and used barges.

The Group manages a fleet of about 130 barges, mainly on its own account. Almost 80% of the managed fleet belongs to the Group. The river barges are mainly leased to logistics groups in all basins where the Group is present.

TOUAX mainly leases its barges to logistics and transport operators, which are mainly large groups. The utilization rate was 86% and the average age of the fleet was 12 years in 2013.

The River Barge business is located in three major zones:

- The European catchment areas including the Seine, Rhine and Danube in particular;
- The Mississippi basin in the USA,
- The Paraná Paraguay basin in South America.

In order to limit risks and improve its visibility, the Group prefers to sign long-term leases, which can last up to 10 years. The average term of the leases is 5.6 years.

There are only a few players in the river barge leasing market, apart from in the Netherlands where there are traditionally a lot of leasing companies. The Group has a strong position in the other basins and is developing its reputation. TOUAX is the biggest leasing company in Europe and South America for dry bulk barges.

River transport is an environment-friendly means of transport and is generally supported by the authorities, which are very keen to promote alternatives to road transport. In addition, river transport operators will either need to lease equipment immediately to cope with transport demands in South America in particular, where the demand for the transportation of raw materials and agricultural produce is considerable, or need to replace the equipment of their ageing fleet in Europe in particular. TOUAX intends to take advantage of these opportunities.

In 2013, the Group continued to exploit its river barge leasing business in those areas where it already has a foothold, given that this business is better equipped to withstand the crisis thanks to long-term leases. There is demand for river barges from transport operators, which benefits the Group.

In the medium term, the Group's objective is to double the size of the fleet thanks to its South American entities in particular. Its positioning in long-term leasing agreements and the development of sales and trading in inland waterway assets should contribute to the realization of these objectives.

- **The Group's Freight Railcar business**

It includes leasing and hire-purchase, third-party asset management, and the sale of new and used railcars.

TOUAX managed a fleet of about 8,000 railcars at the end of December 2013, of which 36% belong to third-party investors. 64% of the equipment managed belongs to the Group, given that 18% of this equipment is intended for sale to third parties in the near future (about one year). Added to this fleet are about 1,300 railcars, for which TOUAX provides a technical management services which it undertakes as part of its European certification as an ECM (Entity in Charge of the Maintenance).

TOUAX leases its railcars to numerous rail and industrial operators. The average utilization rate in 2013 was 77%. TOUAX also syndicates equipment to investors, i.e. the Group buys the equipment, leases it and then sells it to investors. The syndication cycle is short, but none-the-less remains longer than that of the Shipping Container business. This is due to the fact that the investment cycle is longer since it can take up to one year from the time of the order to delivery of the railcars, whereas the lead-time can be just a few weeks for containers. Similarly, it takes longer to build a portfolio.

The Group mainly operates in Europe, but also in the United States thanks to the joint venture created in partnership with Chicago Freight Car Leasing, through which TOUAX offers investors investments in railcars operated in America.

In order to limit risks and improve its visibility, the Group prefers to sign long-term leases, which can vary from 3 to 10 years. The average term of the leases is 3.8 years.

The railcar leasing market is relatively concentrated, with a few big players, about ten medium-sized players, and financing organizations that may also provide leasing. TOUAX is the second largest European leasing company of intermodal railcars in Europe with a 20% market share.

The average annual growth of the TOUAX fleet is 16.4% over 10 years, whereas the estimated average annual growth of the market is 2%.

Rail freight transport benefits from the development of alternatives to road transport, since it emits low levels of CO^2. In addition, the deregulation of rail freight and standardization of rules within Europe should also make it possible to develop long-distance traffic that is more competitive compared with road transport.

In Europe, the Group noted a slight improvement in the demand for freight railcars, even though the situation was mixed. TOUAX's leasing services have attracted railway operators. The Group's objective in 2013 is to make very selective investments in Europe financed by third-party investments.

In the medium term, the Group's objective is to manage a fleet of 15,000 railcars, including 10,000 railcars in Europe and 5,000 in Asia in the United States. TOUAX is pursuing its geographic diversification by establishing a presence in Asia. 2014 should see the first investments in this zone.

6.1.2.New product or service

Not applicable

6.1.3.Key markets

Cf. pages 12 and 13.

6.1.4.Exceptional events

Not applicable

6.1.5.Dependence on patents, licenses and contracts

Not applicable

6.1.6.Competitive position

Cf. pages 4 to 11.

7. ORGANIZATION CHART

7.1. GROUP ORGANIZATION CHART

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

The list of all the Group's subsidiaries is on note 2.2 page 58 of the notes to the consolidated financial statements

TOUAX SCA	Country	Percentage held by parent	Company purpose
TOUAX Corporate SAS	**France**	**100%**	**Service Company**
TOUAX Capital SA	**Switzerland**	**100%**	**Service Company**
TOUAX Container Services SAS	**France**	**100%**	**Service Company**
— TIOUAX Container Leasing Pte Ltd	Singapore	100%	Leasing of shipping containers
— Gold Container Investment Ltd	Hong Kong	100%	Sale of containers
— Touax Corp.	USA	100%	Leasing and sale of shipping containers
—— Gold Container Corp.	USA	100%	Leasing and sale of shipping containers
TOUAX Solutions Modulaires SAS	**France**	**100%**	**Leasing and sale of modular constructions**
— TOUAX Construction modulaire SAS	France	100%	Modular Buldings assembly company
— TOUAX Espana SA	Spain	100%	Leasing and sale of modular buildings
— TOUAX SRO	Czech republic	100%	Modular Buldings assembly company
—— TOUAX SK Sro	Slovakia	100%	Leasing and sale of modular buildings
— TOUAX BV	Netherlands	100%	Leasing and sale of modular buildings
—— TOUAX NV	Belgium	100%	Leasing and sale of modular buildings
— SIKO Containerhandel GmbH	Germany	100%	Leasing and sale of modular buildings
—— TOUAX Sp.zo.o	Poland	100%	Leasing and sale of modular buildings
— TOUAX Modular Building USA, Llc	USA	100%	Leasing and sale of modular buildings
— SACMI SARL	Marocco	51%	Sale of modular buildings
— RAMCO SARL	Marocco	51%	Leasing od modular buildings
TOUAX Rail Ltd	**Ireland**	**100%**	**Leasing and sale of railcars**
— TOUAX Rail Romania SA	Roumanie	57.5%	Leasing and sale od railcars
— CFCL TOUAX Llc	USA	51%	Leasing and sale od railcars
TOUAX River Barges SAS	**France**	**100%**	**Leasing and sale of river barges**
— TOUAX Leasing Corp.	USA	100%	Leasing and sale od river barges
— TOUAX Hydrovia Corp.	Panama	100%	Leasing and sale od river barges
— TOUAX Rom SA	Romania	100%	Leasing and sale od river barges
— Eurobulk Transport Maatschappij BV	Netherlands	100%	Leasing/ chartering of river barges
—— CS de Jonge BV	Netherlands	100%	Leasing/ chartering of river barges

7.2. PARENT-SUBSIDIARY RELATIONS

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

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

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

The duties of the management of TOUAX SCA in the Group's subsidiaries are mentioned in the Report of the Chairman of the Supervisory Board in section 27.2 page 119.

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

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

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

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

The figures relating to significant parent-subsidiary relationships (other than regulated agreements) are as follows for the 2013 fiscal year:

Services provided *(€ thousands)*	**IT and management costs**	**Interest received on loan**
TOUAX Corp.	87	524
TOUAX Rail Ltd	232	2,634
TOUAX Solutions Modulaires SAS	122	1,252
TOUAX Container Services SAS	145	266
TOUAX River Barges SAS	1,374	

Services received *(€ thousands)*	**Interest payable on advances**
Shipping container division	1,092
Modular building division	40
Freight railcar division	2
River barge division	187
Corporate	67

The guarantees and other commitments granted by TOUAX SCA as of December 31, 2013 are as follows:

Subsidiaries concerned *(€ thousands)*	Year in which guarantees granted	Original amount of guarantees granted	Guarantees expiring in less than one year	Guarantees expiring in 1 to 5 years	Guarantees expiring over 5 time	Outstanding capitl owing as of 31.12.2013
	Before 2013	71,103	18,513	48,841	3,749	26,568
	2013	6,799	2,404		4,395	4,936
TOUAX Solutions Modulaires SAS		**77,902**	**20,917**	**48,841**	**8,144**	**31,504**
	Before 2013	3,326		3,326		671
TOUAX Rail Ltd		**3,326**		**3,326**		**671**
	Before 2013	75,352	3,503	52,185	19,664	41,870
	2013	2,080	500		1,580	1,486
SIKO Containerhandel Gmbh		**77,433**	**4,003**	**52,185**	**21,244**	**43,356**
	Before 2013	35,922		5,574	30,348	28,364
TOUAX River Barges SAS		**35,922**		**5,574**	**30,348**	**28,364**
	Before 2013	25,679	4,824	16,027	4,828	10,090
	2013	4,125			4,125	3,843
TOUAX Sp.zo.o		**29,804**	**4,824**	**16,027**	**8,953**	**13,933**
	Before 2013	2,480			2,480	1,969
	2013	2,627		2,627		1,601
TOUAX Leasing Corp		**5,107**		**2,627**	**2,480**	**3,570**
	Before 2013	4,772		4,772		1,469
TOUAX Modular Building USA, llc		**4,772**		**4,772**		**1,469**
	Before 2013	7,251		7,251		7,251
TOUAX Corp.		**7,251**		**7,251**		**7,251**
	Before 2013	9,063		9,063		6,206
	2013	1,000	1,000			
GOLD Container Corp.		**10,063**	**1,000**	**9,063**		**6,206**
	2013	2,000	2,000			615
TOUAX Construction Modulaire SAS		**2,000**	**2,000**			**615**
	Before 2013	2,735		2,735		1,367
	2013	2,005	2,005			1,541
TOUAX Sro		**4,740**	**2,005**	**2,735**		**2,908**
	2013	10,000	10,000			
TOUAX Container Services SAS		**10,000**	**10,000**			
	2013	275	275			29
TOUAX Corporate SAS		**275**	**275**			**29**
	Before 2013	8,092			8,092	7,561
	2013	12,443	4,351		8,092	8,963
TOUAX Hydrovia Corp.		**20,535**	**4,351**		**16,184**	**16,524**
TOTAL OF THE GUARANTEES GRANTED		**289,130**	**49,376**	**152,400**	**87,354**	**156,400**

The subsidiaries of TOUAX SCA are described in the table of subsidiaries and of interests in note 26.6 of the notes to the company financial statements.

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

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

($ thousands)	**2013**	2012	2011
Net fixed assets	357	86	106
Shareholders' equity	12,486	7,047	4,225
Financial debts			
Revenue	123,311	105,648	97,740
Operating income before distribution to investors	77,490	80,397	77,215
Current operating income	5,544	2,857	1,623
Net profit	5,439	2,822	1,632

The rise in turnover derives from a high utilization rate and an increase in the fleet under management, even if leasing prices have eroded slightly. The distributions to investors decreased in 2013.

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

($ thousands)	**2013**	2012	2011
Net fixed assets	692	1,887	3,452
Shareholders' equity	27,541	20,041	12,902
Financial debts			
Revenue	170,096	181,440	86,324
Operating income before distribution to investors	7,976	7,242	7,465
Current operating income	7,976	7,242	7,465
Net profit	7,501	7,139	7,301

The decrease in turnover is due to the sale of equipment to investors. There is a slight increase in the profit compared with 2012.

8. Real Estate, Plant and Equipment

8.1. Tangible and intangible fixed assets

The Group is an operational leasing expert for mobile and standardized equipment. To date, it possesses little goodwill (€28.6 million) or intangible fixed assets (€1 million) compared with tangible fixed assets (€523.8 million), financial leasing receivables (€9.4 million) and inventory (€61.1 million). The tangible fixed assets, financial leasing receivables and inventory represent equipment belonging to the Group that is leased (shipping containers, modular buildings, freight railcars and river barges).

In addition to leased equipment, the Group operates two modular building assembly sites in the Czech Republic and Morocco. These sites mainly include assembly tools and equipment whose value is insignificant compared to the leased equipment. Note that the land and buildings at the Czech and Moroccan sites are owned by the Group. There are no major charges (refitting, security, safety etc.) relating to these facilities or the leased equipment. In France, the Group stopped producing modular buildings at the end of 2013 but retained the site for its business activity. In 2013, the assembly centres were used at almost 80 % capacity thanks to their high degree of flexibility.

A breakdown of the tangible and intangible assets is given in the notes to the consolidated financial statements section 20.1, on note 16 and note 17 pages 70 et seq.

8.2. Environmental policy

The Group's environmental policy is presented in the management report in section 26.1 and, in particular, in the corporate social and environmental responsibility section 3.2 page 108.

9. Analysis of the financial position and income

9.1. Financial position

The financial position is analyzed in the management report in section 26.1 page 96.

9.2. Operating income

The operating income is analyzed in the management report in section 26.1 page 96.

9.2.1. Unusual factors

Not applicable

9.2.2. Major changes

Not applicable

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

Not applicable

10. Cash and capital

10.1. Group capital

The Group's financial and cash resources are described in the Notes to the consolidated financial statements in section 20.1 page 43 and in note 18 page 71 with details on the liquidity and interest rate risks.

10.2. Cash flow

The Group's cash flow is described and explained in the cash flow statement in the consolidated financial statements in section 20.1 page 43 and seq.

10.3. Borrowing conditions and financing structure

The borrowing conditions and financing structure are described in the notes to the consolidated financial statements in section 20.1 , in particular, on note 18.2.1 page 74 with details on the liquidity and for the interest rate risks in section 20.1, on note 26 page 80.

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

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

10.4. Restriction on the use of capital that has had or could have a significant direct or indirect effect on the issuer's operations

To the best of our knowledge, there are no restrictions either on cash flows to the parent company from subsidiaries wholly-owned by the Group, or on the use of the Group's cash, subject to default clauses for bank loans presented in of the notes to the consolidated financial statements on note 18.2.3 of the notes to the consolidated financial statements, page 76.

The cash balances shown on the Group's balance sheet on December 31, 2013 include €26.8 million in cash that is not available for the Group's daily cash management. €16.2 million of this amount corresponds to contractual restrictions on liquidity transfers linked to bank covenants, and €10.6 million corresponds to the lack of stockholder authorization for using the cash of companies that are not wholly-owned.

10.5. Expected sources of financing in order to meet investment commitments

The financing sources are detailed in the firm investment commitments in section 5.2.3 page 28.

11. Research and development, patents and licenses

When the Group created a unit for assembling modular buildings in France in 2007, it developed a product and an industrial production process. The development costs of the modular buildings were capitalized in accordance with applicable regulations.

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

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

12. TREND INFORMATION

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

The key trends are detailed in the management report in section 26.1 page 96.

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

A feature of 2013 was the upturn in global trade following a year 2012 characterized by significant uncertainty surrounding the Eurozone. According to the World Bank, growth in global GDP was 2.4% in 2013 and the International Monetary Fund (IMF) pointed to a growth in global production of 3%. Financial conditions became less strained in the developing countries while they still remained relatively difficult in the developing countries. However, the Eurozone was in recession with a decline of 0.5% over the year.

The outlook for 2014 is better than 2013 with a growth estimate of 3.2% in global GDP (World Bank) and 3.6% in global production (IMF). This upturn originated mainly in the developed countries, particularly the United States where the recovery of the economy is well under way with growth forecasts of 2.8%. The Eurozone will come out of recession and achieve growth of 1.2% in 2014, even though the situation is uneven between certain countries and the internal demand is still weak given the high level of debt.

Globally, the growth of the developed economies will contribute to the growth of the emerging countries (+4.9% according to the IMF), which will nevertheless remain susceptible to changes in worldwide financial conditions, with those countries whose internal demand is weak being all the more vulnerable. The monetary policy which will be applied in 2014, particularly in the United States, will not fail to have repercussions on the prospects for global growth. This monetary policy is essential not just for the developed economies in order to avoid the premature withdrawal of accommodating policies, but also for the developing countries to avoid the dangers of an inversion of capital flows.

Although the basic situation is positive, the risk of decline still remains. It is worth noting the world trade should increase by 4.6% in 2014 compared with a growth estimate of 3.1% for 2013, according to the report of the World Bank.

In Europe, where the situation is still difficult, the Group predicts a gradual recovery, for the Modular Building and Freight Railcar businesses in particular. Utilization rates are not expected to rise significantly and TOUAX reckons that there will be continued pressure from rivals and customers on leasing prices. To make up for the lack of dynamism in this zone, the Group is expanding in Africa with the acquisition of a leading company in the modular buildings sector in Morocco, and continuing to expand in South America by buying and leasing river transport equipment, and in Asia where it recently started to lease railcars. A presentation of the outlook given at the meeting of the French Society of Financial Analysts (SFAF) on April 2, 2014 is provided in section 28.3 page 135.

13. PROFIT FORECASTS OR ESTIMATES

Not applicable

13.1. MAIN ASSUMPTIONS

Not applicable

13.2. AUDITOR'S REPORT – FORECASTS

Not applicable

13.3. BASIS FOR FORECAST

Not applicable

13.4. CURRENT FORECAST

Not applicable

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

The administrative, management and supervisory bodies are presented in the report of the Chairman of the Supervisory Board in section 27.2 page 119.

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

Conflicts of interest are presented in the Report of the Chairman of the Supervisory Board in section 27.2 page 119.

15. COMPENSATION AND BENEFITS

15.1. COMPENSATION OF CORPORATE OFFICERS

15.1.1. Compensation of the Managing Partners

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

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

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

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

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

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

The compensation formalities of the Managing Partners are specified in the report of the Chairman of the Supervisory Board in section 27.2, page 119.

(€ thousands)	**2013**	2012	2011
Fabrice WALEWSKI - Managing Partner			
Compensation due for the fiscal year	**402.8**	402.2	405.5
Value of options allotted during the fiscal year			
Value of performance shares allotted during the fiscal year			
TOTAL	**402.8**	402.2	405.5
Raphaël WALEWSKI - Managing Partner			
Compensation due for the fiscal year	**401.4**	460	388.4
Value of options allotted during the fiscal year			
Value of performance shares allotted during the fiscal year			
TOTAL	**401.4**	460	388.4

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

Compensation

Summary table of the compensation of each Managing Partner
(€ thousands)

Fabrice Walewski Managing Partner	**2013**		2012		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary	148.7	148.7	147.0	147.0	142.6	142.6
Variable compensation	204.7	179.7	205.0	205.0	205.1	243.1
Exceptional compensation						
Directors' fees	44.4	44.4	44.4	44.4	52.4	52.4
Payments in kind	5	5	5.8	5.8	5.4	5.4
TOTAL	**402.8**	**377.8**	402.2	402.2	405.5	443.5
Raphaël Walewski Managing Partner	**2013**		2012		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed salary	148.7	148.7	147.0	147.0	142.6	142.6
Variable compensation	203.3	178.3	261.8	261.8	188.2	226.2
Exceptional compensation						
Directors' fees	44.4	44.4	44.4	44.4	52.4	52.4
Payments in kind	5	5	6.8	6.8	5.2	5.2
TOTAL	**401.4**	**376.4**	460.0	460.0	388.4	426.4

Stock options attributed to the corporate officers

No stock options were attributed to the corporate officers.

Performance shares

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

Equity warrants

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

More generally, no equity securities, debt securities or securities giving access to capital or entitlement to the allocation of debt securities were allocated to the corporate officers of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2013 fiscal year. The Managing Partners are not stockholders of TOUAX SCA.

15.1.2.Compensation of the Supervisory Board

(€ thousands) Name	Position	Type of compensation	**2013**	2012	2011
Jérôme Bethbeze	Supervisory Board Member	Attendance fees	11.6	11.9	11.2
Serge Beaucamps	Supervisory Board Member	Attendance fees			6.0
Jean-Jacques Ogier	Supervisory Board Member	Attendance fees	8.6	7.8	8.2
Aquasourça	Supervisory Board Member	Attendance fees	8.6	8.9	7.1
François Soulet de Brugière	Supervisory Board Member	Attendance fees	8.6	8.9	8.2
Sophie Servaty	Supervisory Board Member	Attendance fees	8.6	7.7	6.0
Alexandre WALEWSKI	Chairman of the Supervisory Board	Attendance fees	17.1	17.8	16.3
TOTAL ATTENDANCE FEES			**63**	**63**	**63**
($ thousands)					
Alexandre WALEWSKI	Chairman of the Supervisory Board	other compensation	192.7	192.7	188.0
TOTAL OTHER COMPENSATION			**192.7**	**192.7**	**188**

Rules for distributing attendance fees are specified in the Report of the Chairman of the Supervisory Board in Section 27.2 page 119.

The members of the Supervisory Board do not receive any compensation other than the attendance fees, apart from the fixed allowance that Alexandre WALEWSKI receives to cover expenses incurred in the course of his duties as Chairman of the Supervisory Board. This allowance amounted to $48,175 per quarter in 2012 and $47,000 per quarter in 2011 and 2010.

No equity securities other than the shares allocated to them as shareholder further to the capital increase completed in June 2013, debt securities or securities giving access to capital or entitlement to allocation of debt securities were allocated to the members of the Supervisory Board of the company or of the companies mentioned in Articles L.228-13 and L.228-93 of the French Commercial Code during the 2013 fiscal year.

15.2. Retirement and other advantages

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

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

16. Operation of the administrative and management bodies

16.1. Tenure of office

The operation of the administrative and management bodies is presented in the Report of the Chairman of the Supervisory Board in section 27.2 page 119.

16.2. Relates party agreements

Related party agreements are listed in the management report on page 96 and included in the Statutory Auditors' report in section 20.3.2 page 89.

16.3. Information on the various committees

Details on how corporate governance is organized are provided in the Report of the Chairman of the Supervisory Board in section 27.2 page 119.

16.4. Statement of conformity with the corporate governance scheme

The statement on conformity with the corporate governance scheme is explained in the Report of the Chairman of the Supervisory Board in section 27.2 page 119.

17. EMPLOYEES

17.1. BREAKDOWN OF THE WORKFORCE

The breakdown of the workforce by geographic location and business segment as of December 31, 2013 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Corporate		TOTAL	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Europe	18	21	493	528	15	20	30	30	36	38	592	637
Asia	10	7									7	7
Africa			92	92							92	92
Americas	3	4	18	16	2	1			3	3	24	24
TOTAL	**31**	32	**603**	636	**17**	21	**30**	30	**39**	41	**720**	760

17.2. PROFIT-SHARING AND STOCK OPTIONS

The main holdings of the Managing Partners, the General Partners and the corporate officers are indicated in section 18 page 39 of the reference document, with the holdings of Alexandre WALEWSKI (Chairman of the Supervisory Board), Fabrice WALEWSKI (Managing Partner), Raphaël WALEWSKI (Managing Partner), the company Société Holding de gestion et de Participation (General Partner), and the company Société Holding de Gestion et de Location (General Partner).

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

Type of instrument	**Stock options**	**Redeemable warrants**
Date of the General Meeting	30/05/2005	08/02/2008
Date of the Management Board	02/07/2007	11/02/2008
Total number of financial instruments issued	1,427,328	200,000
Allotment date	na	na
Purchase date	08/03/2007	12/03/2008
Number of financial instruments that could be exercised or levied as of 12/31/2013 by:		
- Fabrice WALEWSKI		
- Raphaël WALEWSKI		
- Alexandre WALEWSKI		
- Top 10 employees	184,903	
- Others (employees/public)	1 210 389	22,500
Year's starting point for instruments	08/03/2007	12/03/2008
Year's starting point for frozen instruments	08/09/2009	12/03/2011
Expiration date	08/03/2016	12/03/2013
Issue price	0.44 €	3.60 €
Subscription or purchase price (1)	32.91 €	37.55 €
Number of subscribed financial instruments	31,930	
Total number of cancelled or void financial instruments	116,382	200,000
Number of financial instruments remaining to be exercised on 12/31/2013	**1,278,910**	**0**
Potential capital in number of shares	350,421 (2)	

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

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

Details of the stock options and stock warrants granted by TOUAX SCA are given in the notes to the consolidated financial statements in section 20.1, note 21, page 79.

17.3. EMPLOYEE PARTICIPATION IN THE CAPITAL

The company does not publish a social report.

In 2012 an employee profit-sharing scheme and a compulsory profit-sharing agreement were put in place for all French entities. These two systems do not give entitlement to capital shares. In 2013, there were no compulsory profit-sharing, no voluntary profit sharing.

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

18. MAIN SHAREHOLDERS

18.1. BREAKDOWN OF CAPITAL AND VOTING RIGHTS

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

Distribution of capital and voting rights as of December 31, 2013

	Number of shares	% of share capital	Number of voting rights	% of voting rights	double voting rights
Alexandre WALEWSKI	551,822	9.38%	551,822	8.67%	
Société Holding de Gestion et de Location	631,660	10.74%	865,789	13.60%	468,258
Société Holding de Gestion et de Participation	645,966	10.98%	880,632	13.84%	469,332
Majority group Total	**1,829,448**	**31.09%**	**2,298,243**	**36.11%**	**937,590**
SOFINA*	1,366,251	23.22%	1,366,251	21.46%	
Public - registered securities	139,168	2.37%	151,721	2.38%	25,106
Public - bearer securities	2,548,906	43.32%	2,548,906	40.04%	
TOTAL	**5,883,773**	**100.00%**	**6,365,121**	**100.00%**	**962,696**

** To the knowledge of TOUAX*

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

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

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

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

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

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

On February 8, 2013 Sofina declared that it had exceeded the threshold of 15% of the company's voting rights, holding 974,223 TOUAX shares, representing 16.97% of the capital and 15.19% of the voting rights.

On February 12, 2013 Sofina declared that it had exceeded the threshold of 20% of the company's capital and voting rights, holding 1,332,928 TOUAX shares, representing 23.22% of the capital and 20.78% of the voting rights. Each time Sofina declared that it did not plan to acquire control of the company and intends to remain a stable stockholder. Sofina already has a representative on the Supervisory Board and does not intend to request the appointment of a representative in the management bodies.

On February 15, 2013 Salvepar announced that it had fallen below the threshold of 5% of the capital and voting rights and is no longer a stockholder of TOUAX.

On 8 August 2013, Alexandre WALEWSKI announced that he had fallen below the threshold of 15% of the capital and 10% of the voting rights of TOUAX, following the loss of his double voting rights. On the same date, the WALEWSKI family alliance did not cross any threshold.

Apart from the above, there were no declarations of thresholds being crossed in in 2013 and to this date.

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

There is no form of potential capital other than the one described in the notes to the consolidated financial statements in section in section 20.1 note 21 page 79.

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

Breakdown in shares

As of December 31, 2013, 50.05% of the shares issued by TOUAX SCA were registered, and the remainder shares were bearer shares. 52.02% of registered shares are held by persons residing outside France.

Number of stockholders

The company does not regularly ask for reports on identifiable bearer shares and therefore does not know the exact number of stockholders. The last such report was carried out in September 1999 and featured 919 stockholders. On December 31, 2013, there were 48 registered stockholders.

During the last Combined General Meeting on June 11, 2013, the chairman received 8 proxies, 27 stockholders sent an appointed person as their proxy or sent postal voting forms and 22 stockholders were present as well as the General Partners.

Stockholders' agreement

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

Changes in the shareholding

Shareholders	31/12/2013		31/12/2012		31/12/2011	
	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*	% of shares capital*	% of voting rights*
Alexandre WALEWSKI	9.38%	8.67%	9.28%	14.78%	9.31%	14.83%
SHGL	10.74%	13.60%	10.74%	9.62%	10.74%	9.62%
SHGP	10.98%	13.84%	10.98%	9.83%	11.00%	9.84%
Majority group Total	**31.09%**	**36.11%**	**31.00%**	**34.23%**	**31.05%**	**34.29%**
Auto détention	0.06%	0.05%	0.09%	0.08%	0.08%	0.08%
SALVEPAR			6.25%	9.44%	6.27%	9.47%
SOFINA	23.22%	21.46%	16.75%	14.99%	16.81%	15.04%
Public	45.63%	42.37%	45.91%	41.26%	45.79%	41.15%
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

* To the knowledge of TOUAX

TOUAX SCA does not have an employee shareholding scheme.

18.2. VARIOUS VOTING RIGHTS

Double voting rights

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

Limitation of voting rights

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

18.3. DESCRIPTION OF THE TYPE OF CONTROL

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

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

18.4. TREASURY STOCK

As of December 31, 2013, the company held 3,436 treasury shares, i.e. 0.06 % of the capital. These shares were acquired following the stock redemption program decided by the Combined General Meeting of June 11, 2013, in order to:

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

During the 2013 fiscal year, 142,842 shares were purchased and 144,818 shares sold under the liquidity agreement, the sole aim being to buoy the market and ensure the liquidity of TOUAX securities.

The transactions are summarized in the following table:

Declaration by TOUAX SCA of transactions in own shares on February 28, 2014	
Percentage of the share capital held directly or indirectly	0.06%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	3,438
Book value of the portfolio (€)	67,190.48
Market value of the portfolio (€)	69,172.56

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

A description of the new stock redemption program (pursuant to Article 241-2 of the General Regulations of the AMF) submitted for authorization by the General Meeting of June 11, 2014 is set out in point 5 of the management report section 26.1 page 96.

- **Liquidity agreement**

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

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

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

19. RELATED PARTIES TRANSACTIONS

The Group has not entered into any significant transactions with related parties other than those described in the notes to the consolidated financial statements in section 20.1 note 27 page 83 (see the Statutory Auditors' report on regulated agreements and commitments, section 20.3.2 page 89.

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

20.1. CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated income statement presented by function at December 31

note n°	*(€ thousands)*	**2013**	2012	2011
	Leasing revenue	206,104	219,034	221,419
	Sales of equipment	143,158	138,952	114,395
	TOTAL REVENUE	**349,262**	**357,986**	**335,814**
	Capital gains on disposals	(13)	(22)	212
4	**Income from ordinary activities**	**349,249**	**357,964**	**336,026**
	Cost of sales	(127,835)	(122,917)	(98,844)
	Operating expenses	(91,193)	(91,493)	(94,628)
	General, commercial and administrative operating expenses	(27,734)	(25,288)	(23,692)
	GROSS OPERATING MARGIN (EBITDAR)	**102,487**	**118,266**	**118,862**
9	Depreciation, amortization and impairments	(37,949)	(32,157)	(26,267)
	OPERATING INCOME before distribution to investors	**64,538**	**86,109**	**92,595**
10	Net distribution to investors	(51,626)	(56,490)	(61,114)
	CURRENT OPERATING INCOME	**12,912**	**29,619**	**31,481**
11	Other operating revenues and expenses	(5,563)	(577)	
	OPERATING INCOME	**7,349**	**29,042**	**31,481**
	Income from cash and cash equivalents	207	101	52
	Cost of gross financial debt	(19,830)	(17,594)	(14,541)
	Cost of net financial debt	**(19,623)**	**(17,493)**	**(14,489)**
	Other financial income and expenses	(677)	(74)	55
12	**FINANCIAL RESULT**	**(20,300)**	**(17,567)**	**(14,434)**
	Shares for profil/(loss) of associates			**37**
	PROFIT BEFORE TAX	**(12,951)**	**11,475**	**17,084**
13	Corporation tax	(1,928)	(2,749)	(4,135)
	NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES	**(14,879)**	**8,726**	**12,949**
	Income from discontinued activities			
	CONSOLIDATED NET PROFIT (LOSS)	**(14,879)**	**8,726**	**12,949**
	Minority interest	(424)	420	485
	CONSOLIDATED NET PROFIT (LOSS) (GROUP'S SHARE)	**(15,303)**	**9,146**	**13,434**
14	**Net earnings per share**	**(2.63)**	**1.6**	**2.35**
14	**Diluted net earnings per share**	**(2.63)**	**1.6**	**2.34**

Consolidated income statement presented by type at December 31				
note n°	*(€ thousands)*	**2013**	2012	2011
	REVENUE	**349,262**	**357,986**	**335,814**
	Capital gains on disposals	(13)	(22)	212
4	**Income from ordinary activities**	**349,249**	**357,964**	**336,026**
5	Purchases and other external charges	(209,917)	(209,141)	(182,480)
6	Payroll expense	(31,954)	(29,513)	(28,775)
7	Other operating income and expenses	(158)	372	437
	GROSS OPERATING SURPLUS	**107,220**	**119,682**	**125,208**
8	Operating provisions	(4,733)	(1,416)	(6,346)
	GROSS OPERATING MARGIN (EBITDAR)	**102,487**	**118,266**	**118,862**
9	Depreciation, amortization and impairments	(37,949)	(32,157)	(26,267)
	OPERATING INCOME before distribution to investors	**64,538**	**86,109**	**92,595**
10	Net distributions to investors	(51,626)	(56,490)	(61,114)
	CURRENT OPERATING INCOME	**12,912**	**29,619**	**31,481**
11	Other operating revenues and expenses	(5,563)	(577)	
	OPERATING INCOME	**7,349**	**29,042**	**31,481**
	Income from cash and cash equivalents	207	101	52
	Cost of gross financial debt	(19,830)	(17,594)	(14,541)
	Cost of net financial debt	**(19,623)**	**(17,493)**	**(14,489)**
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	PROFIT BEFORE TAX	**(12,951)**	**11,475**	**17,084**
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	Income from discontinued activities			
	CONSOLIDATED NET PROFIT (LOSS)	**(14,879)**	**8,726**	**12,949**
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14	**Net earnings per share**	**(2.63)**	**1.6**	**2.35**
14	**Diluted net earnings per share**	**(2.63)**	**1.6**	**2.34**

Comprehensive income statement for the year *(€ thousands)*	**2013**	2012	2011
PROFIT (LOSS) FOR THE YEAR	**(14,880)**	**8,726**	**12,949**
Other comprehensive income			
Translation adjustments	(5,756)	(1,113)	529
Translation adjustments on net investment in subsidiaries	(330)	953	(1,327)
Profits and losses on cash flow hedges (effective part)	1,260	(1,735)	(300)
Tax on comprehensive income	(364)	184	325
TOTAL OTHER COMPREHENSIVE INCOME	**(5,190)**	**(1,711)**	**(773)**
Minority interests	(265)	(622)	5
Total other comprehensive income - Group's share	(4,925)	(1,089)	(778)
Comprehensive income - Group's share	(20,228)	8,056	12,656
Comprehensive income - minority interests	158	(1,042)	(480)
COMPREHENSIVE INCOME STATEMENT	**(20,070)**	**7,014**	**12,176**
Income attributable to the:			
Group	(15,303)	9,146	13,434
Minority interests	424	(420)	(485)
	(14,879)	**8,726**	**12,949**
Comprehensive income attributable to the:			
Group	(20,228)	8,056	12,656
Minority interests	158	(1,042)	(480)
TOTAL INCOME	**(20,070)**	**7,014**	**12,176**

Note No.	Consolidated balance sheet at December 31 (€ thousands)	2013	2012	2011
	ASSETS			
15	Goodwill	28,599	34,120	22,476
16	Intangible assets	1,045	1,423	870
17	Tangible assets	523,772	518,311	365,518
18	Long-term financial assets	2,385	2,339	10,547
18	Investments in associates			676
18	Other non-current assets	5,828	7,082	10,090
13	Deferred tax assets	1,207	494	436
	TOTAL non-current assets	**562,836**	**563,769**	**410,613**
19	Inventory and work-in-progress	61,091	70,866	69,347
18	Accounts receivable	48,454	62,654	64,192
20	Other current assets	18,292	19,701	18,191
18	Cash and cash equivalents	53,895	59,144	44,259
	TOTAL current assets	**181,732**	**212,365**	**195,989**
	TOTAL ASSETS	**744,568**	**776,134**	**606,602**
	LIABILITIES			
	Share capital	47,070	45,922	45,766
	Hybrid capital	32,439		
	Reserves	92,650	93,910	87,683
	Profit (loss) for the fiscal year, Group's share	(15,303)	9,146	13,434
	Shareholders' equity of the Group	**156,856**	**148,978**	**146,883**
	Minority interests	27,549	24,035	(566)
21	**Consolidated shareholders' equity**	**184,405**	**173,013**	**146,317**
18	Loans and financial liabilities	347,540	368,873	247,746
13	Deferred tax liabilities	6,388	5,658	5,309
23	Retirement benefits and similar benefits	389	359	307
24	Other long-term liabilities	3,009	1,102	1,113
	TOTAL non-current liabilities	**357,326**	**375,992**	**254,475**
22	Provisions	2,199	566	1,601
18	Loans and current bank facilities	106,049	122,910	116,304
18	Trade accounts payable	46,339	39,135	29,860
25	Other current liabilities	48,250	64,518	58,043
	TOTAL current liabilities	**202,837**	**227,129**	**205,808**
	TOTAL LIABILITIES	**744,568**	**776,134**	**606,600**

Changes in consolidated shareholders’ equity

(€ thousands)	Share capital (2)	Premiums (2)	Consolidate d reserves	Conversion reserves	Variation in the fair value of derivatives (swaps) (1)	Comprehen sive income for the year	TOTAL shareholder s’ equity of the Group	Minority interests	TOTAL sharehold ers' equity
POSITION AT JANUARY 1, 2011	**45,566**	**37,154**	**44,396**	**(97)**	**(91)**	**13,275**	**140,204**	**(85)**	**140,119**
Revenue (charges) recognised directly in shareholders' equity				(529)	(249)		**(778)**	5	**(773)**
Total comprehensive income for the year						13,434	**13,434**	(487)	**12,947**
TOTAL charges and revenue recognised				**(529)**	**(249)**	**13,434**	**12,656**	**(482)**	**12,174**
Capital increase	201	313					**514**		**514**
issue of share subscription warrants			259				**259**		**259**
Appropriation of the 2010 net result			(936)				**(936)**		**(936)**
General Partners’ statutory			13,275			(13,275)			
Dividends		(1,602)	(4,092)				**(5,694)**		**(5,694)**
Changes in the consolidation perimeter									
Cross-shareholdings			(120)				**(120)**		**(120)**
AT DECEMBER 31, 2011	**45,767**	**35,865**	**52,782**	**(626)**	**(340)**	**13,434**	**146,883**	**(567)**	**146,316**
POSITION AT JANUARY 1, 2012	**45,767**	**35,865**	**52,782**	**(626)**	**(340)**	**13,434**	**146,883**	**(567)**	**146,316**
Revenue (charges) recognised directly in shareholders' equity				(122)	(968)		**(1,090)**	(622)	**(1,712)**
Comprehensive income for the year						9,146	**9,146**	(420)	**8,726**
TOTAL charges and revenue recognised				**(122)**	**(968)**	**9,146**	**8,056**	**(1,042)**	**7,014**
Capital increase	156	233					**389**		**389**
General Partners’ statutory compensation			(981)				**(981)**		**(981)**
Appropriation of the 2011 net result			13,434			(13,434)			
Dividends		(2,482)	(3,232)				**(5,714)**		**(5,714)**
Changes in the consolidation perimeter and miscellaneous			165		174		**338**	25,644	**25,982**
Cross-shareholdings			6				**6**		**6**
AT DECEMBER 31, 2012	**45,923**	**33,616**	**62,175**	**(749)**	**(1,308)**	**9,146**	**148,978**	**24,035**	**173,013**
POSITION AT JANUARY 1, 2013	**45,923**	**33,616**	**62,175**	**(749)**	**(1,308)**	**9,146**	**148,978**	**24,035**	**173,013**
Revenue (charges) recognised directly in shareholders' equity				(5,511)	586		**(4,925)**	(265)	**(5,190)**
Comprehensive income for the year						(15,303)	**(15,303)**	424	**(14,880)**
TOTAL charges and revenue recognised				**(5,511)**	**586**	**(15,303)**	**(20,228)**	**159**	**(20,070)**
Capital increase	1,148	(1,148)						4,160	**4,160**
Purchase of share subscription warrants		(240)	(270)				**(510)**		**(510)**
General Partners’ statutory			(892)				**(892)**		**(892)**
Appropriation of the 2012 net result			9,146			(9,146)			
Issue of hybrid capital			32,439				**32,439**		**32,439**
Dividends			(2,867)				**(2,867)**	(891)	**(3,758)**
Changes in the consolidation perimeter and miscellaneous			(72)				**(72)**	86	**14**
Cross-shareholdings			8				**8**		**8**
AT DECEMBER 31, 2013	**47,071**	**32,228**	**99,666**	**(6,260)**	**(722)**	**(15,303)**	**156,856**	**27,549**	**184,405**

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

	Consolidated cash flow statement at December 31			
	(€ thousands)	**2013**	2012	2011
	Consolidated net profit/(loss) (including minority interests)	(14,880)	8,726	12,949
	Shares of profilt/(loss) of associates			(37)
	Depreciation	40,649	30,794	24,989
	Provisions for deferred taxes	(157)	(193)	300
	Capital gains & losses on disposals	(5,256)	(6,202)	(3,335)
	Other non-cash income and expenses	4,228	(435)	351
	Self-financing capacity after cost of net financial debt & tax	**24,584**	**32,690**	**35,217**
	Cost of net financial debt	19,623	17,492	14,489
	Current tax expense	2,085	2,910	3,835
	Self-financing capacity before cost of net financial debt & tax	**46,292**	**53,092**	**53,541**
	Taxes paid	(2,085)	(2,910)	(3,835)
A	Change in working capital requirement relating to operations excluding changes in inventory (1)	20,976	11,356	(17,384)
B	Change in inventory (2)	(9,094)	(38,694)	6,631
C	Change in working capital requirement for investment	(5,567)	1,561	4,012
	Acquisition of assets intended for leasing	(46,061)	(63,064)	(53,468)
	Revenue from sale of assets	20,311	14,625	7,291
	Net impact of finance leases granted to customers	556	1,415	1,198
	Sub-total	(39,855)	(84,157)	(34,336)
	I - CASH FLOW FROM OPERATING ACTIVITIES	**25,328**	**(22,619)**	**(2,014)**
	Investing activities			
	Acquisition of tangible and intangible assets	(1,168)	(1,621)	(2,382)
	Acquisition of equity interests			
	Net change in financial fixed assets	(98)	391	(3,890)
	Revenue from sale of assets	100	10	2,220
	Effect of changes in the consolidation perimeter	(6,097)	(18,443)	125
	II - CASH FLOW FROM INVESTING ACTIVITIES	**(7,263)**	**(19,663)**	**(3,927)**
	Financing transactions			
	Cash inflows from new loans	34,572	167,940	80,253
	Loan repayments	(65,546)	(95,863)	(45,033)
	Net change in financial debts	**(30,974)**	**72,077**	**35,220**
	Net increase in shareholders' equity (capital increase)	36,523	9,658	514
	Produits ou Charges net/cession VMP	(19,623)	(17,492)	(14,489)
	Distribution of dividends	(3,760)	(5,668)	(5,695)
	General Partners' statutory compensation	(892)	(981)	(936)
	Net sale (acq.) of warrants	(510)		254
	Net sale (acquisition) of own shares	9	6	(119)
	III - CASH FLOW FROM FINANCING TRANSACTIONS	**(19,227)**	**57,600**	**14,749**
	Impact of exchange rate fluctuations	(1,444)	(520)	(192)
	IV - CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS	**(1,444)**	**(520)**	**(192)**
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	**(2,606)**	**14,798**	**8,616**
	Analysis of cash flow			
	Cash position at start of year	49,363	34,565	25,949
	Cash position at year end	**46,757**	**49,363**	**34,565**
	CHANGE IN NET CASH POSITION	**(2,606)**	**14,798**	**8,616**

	(€ thousands)	**2013**	2012	2011
	Change in working capital requirements (WCR) relating to operations			
	Decrease/(increase) in inventory and work-in-progress	(9,094)	(38,694)	6,631
B	**Change in inventory (2)**	(9,094)	(38,694)	6,631
	Decrease/(increase) in accounts receivable	13,308	6,117	(6,996)
	Decrease/(increase) in other current assets	1,580	(820)	941
	(Decrease)/increase in trade accounts payable	8,475	6,921	(7,157)
	(Decrease)/increase in other liabilities	(2,387)	(861)	(4,172)
A	**Change in WCR relating to operations excluding change in inventory (1)**	**20,976**	**11,357**	(17,384)
	Change in WCR for operations (1)+(2)	**11,882**	**(27,337)**	**(10,753)**
C	**Change in working capital requirement for investment**			
	Decrease/(increase) in receivables / fixed assets	51	(18)	16
	(Decrease)/increase in liabilities / fixed assets	(5,618)	1,579	3,996
	Change in WCR for investment	**(5,567)**	**1,561**	**4,012**

The net cash flow presented in the cash flow statement corresponds to the flow of cash and cash equivalents included on the balance sheet after deducting current bank loans. The analysis of the debt by type (note 18.2.1) shows a total amount of recourse debt of €6.1 million.

The cash flow statement shows the Group's investments in leasing equipment and the income from sale of this equipment under cash flow from operations instead of under cash flows from investing activities, in accordance with IFRS. Similarly, reimbursements of Credits Under Financial Lease are henceforth included in cash flow from operations rather than as cash flow from investments.

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

In 2013, the cash provided by operations before the cost of debt capital and before tax was €46.3 million, down €6.8 compared to December 31, 2012.

In 2013, there was an increase in the WCR for operations, excluding the change in inventory, of €20.976 million. This change is due to an increase in trade accounts payable and a decrease in trade accounts receivable. The increase in trade accounts payable corresponds to the cost of orders at the end of 2013, in particular for shipping containers, which was higher than at the end of 2012.

Investments in leasing equipment amounted to €39.8 million in 2013 compared with €84.1 million in 2012. Other investments (mainly financial investments) amounted to €7.263 million and deal mainly with the payment of the outstanding debt on the acquisition of the Moroccan subsidiaries in 2012. Payments relating to dividends came to €4.6 million in 2013. Loan interest amounted to €19.623 million compared with €17.491 million in 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant events and post-closure events:

➢ **Significant events:**

- The Group issued €32.8 million of undated deeply subordinated securities (TSSDI). These undated securities enable TOUAX to reserve the right to redeem them at par from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. The degree of subordination of these notes explains why their coupon is higher than that for the senior bonds issued in 2012. Payment of the coupon is only mandatory if dividends are paid. Under IFRS (International Financial Reporting Standards) rules, these notes are booked entirely to stockholders' equity.
- This type of financial instrument, used for the first time by TOUAX, is particularly suitable given the lifetime of its assets and its business development financing needs. In this regard, this hybrid issue consolidates the Group's financial structure and enhances support for its international investment projects. This issue also gives the Group access to further sources of financing through the capital markets.
- The Group did not anticipate an improvement in its performance in Europe and therefore took the decision to stop producing modular buildings at Mignières (France). A corporate restructuring plan was therefore started at the end of 2013 and a provision for the corresponding restructuring costs of €1.5 million was posted in the accounts.
- Following the conclusions of the Goodwill impairment tests, the Group posted a loss of €3.9 million for the Goodwill associated with the acquisition of a modular building production plant in the Czech Republic. As a result of other indicators of impairment, the Group carried out specific impairment tests on the value of the modular building assets. A depreciation of the value of the modular buildings in Europe was also posted for a value of €3.9 million.

➢ **Post-balance sheet events**

TOUAX SCA paid an interim dividend on January 15, 2014 in respect of the 2013 fiscal year for approximately €1.5 million.

NOTE 1. ACCOUNTING RULES AND METHODS

note 1.1. BASES FOR PREPARING AND PRESENTING THE ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

Approval of the financial statements

The annual financial statements to December 31, 2013 and the associated notes were approved by the TOUAX SCA Management Board on March 26, 2014 and presented to the Supervisory Board on March 26, 2014.

Accounting rules and methods

In pursuance of Regulation No. 1606/2002 adopted July 19, 2002 by the European Parliament and the European Council, the consolidated financial statements of the TOUAX Group for the 2013 fiscal year were prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) on December 31, 2013 and adopted by the European Union, on the date the accounts were closed.

New standards, amendments and interpretations adopted by the European Union and which must be applied from January 1, 2013

- IFRS 13: Evaluation of the fair value.
- IFRS 1 amendment: Serious hyperinflation and removal of the firm application dates.
- IAS 12 amendment: Deferred taxes-Recovery of the underlying assets.
- IAS 1 amendment: Presentation of other comprehensive income.

- IFRS 7 amendment: Information to provide-Compensation of the financial assets and liabilities.
- IFRS 1 amendment: Governmental loans.
- 2009-2011 annual improvements.
- IFRIC 20: Stripping costs.

None of these new standards and interpretations had a significant effect on the consolidated financial statements on 31 December 2013.

New standards, amendments and interpretations published by the IASB, whether or not adopted by the European Union, that may be applied in 2013.

The optional standards and interpretations at 31 December 2013 were not applied in advance. However, the Group does not anticipate any significant impact from application of the following new texts:

- IAS 27 amended in 2012: Separate Financial Statements, adopted by the EU, applicable from January 1, 2014;
- IAS 28 amended in 2012: Investments in associates and joint ventures, adopted by the EU, applicable from January 1, 2014;
- IFRS 10: Consolidated Financial Statements, adopted by the EU, applicable from January 1, 2014;
- IFRS 11: Joint arrangements, adopted by the EU, applicable from January 1, 2014;
- IFRS 12: Disclosure of interests in other entities, adopted by the EU, applicable from January 1, 2014;
- IAS 32 amendment: Offsetting Financial Assets and Financial Liabilities, adopted by the EU, applicable from January 1, 2014, with early application permitted,
- Amendment to IAS 36 – Recoverable amount disclosures for non-financial assets.

The Group is currently analyzing the consequences of the application of these new texts.

General evaluation principles

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

note 1.2. ESTIMATES

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

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

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

note 1.3. CONSOLIDATION METHODS

The Group’s annual financial statements include the statements of TOUAX SCA and its subsidiaries for the period from January 1 to December 31, 2013.

Companies in which TOUAX SCA has a controlling interest are fully consolidated and the rights of minority stockholders are recognized.

Entities over which TOUAX SCA exerts a significant influence are consolidated by the equity method.

Entities created for asset securitization are not retained in the consolidation since they do not constitute controlled ad hoc entities in the accordance with SIC 12 “Consolidation – Special purpose entities” (see the notes to the consolidated financial statements note 1.5 page 50).

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

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

note 1.4. FOREIGN CURRENCY CONVERSION

note 1.4.1. CONVERSION OF CURRENCY FINANCIAL STATEMENTS FOR FOREIGN SUBSIDIARIES

The reporting currency of the Group is the euro.

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

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

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

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

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

Exchange rate for the main currencies

parity: Currency = €1

	Closing rate		Average rate	
	2013	2012	**2013**	2012
Swiss franc (CHF)	1.2276	1.2072	1.2311	1.2053
Czech crown (CZK)	27.4270	25.1510	25.9797	25.1491
Polish zloty (PLN)	4.1472	4.0882	4.1975	4.1848
US dollar (USD)	1.3791	1.3194	1.3281	1.2848
Moroccan Dirham (MAD)	11.264	11.114	11.1809	11.1116
Indian Rupee (INR)	85.366	72.56	77.93	68.5973

note 1.4.2. CONVERSION OF TRANSACTIONS IN FOREIGN CURRENCY

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

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

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

note 1.5. ENTERING OF THE ASSET SECURITIZATION TRANSACTIONS AND THE HOLDING COMPANIES IN THE ACCOUNTS

In connection with third-party asset management, the Group has carried out securitization transactions, and creates and takes part in the financing of holding companies.

- Trust TLR 2001 was set up in connection with the securitization of shipping containers.
- SRF Railcar Leasing Ltd and SRF1 were set up as part of the railcar securitization operation.
- Modul Finance I was set up in connection with the securitization of modular buildings.

These operations have enabled the Group to increase its capacity as a provider of operating leases by finding outside investors to buy the assets needed for the Group's leasing and services business, and provide the funding.

The substance of these operations has been examined in detail in the light of Standing Interpretation (SIC) 12 "Consolidation – Special Purpose Entities".

These operations and their impact on the statements are described in the Notes to the consolidated financial statements.

In 2012 the Group bought the assets of Trust TLR 2001 which was dissolved as a result. Trust TLR 2001 had not previously been included in the consolidated accounts.

In 2012 the Group acquired a 51% controlling interest in SRF Railcar Leasing Ltd. SRF Railcar Leasing Ltd has been fully-consolidated since the takeover. SRF Railcar Leasing Ltd was previously accounted for by the equity method since the Group held a significant influence.

SRF 1 is a holding company financed and held by outside investors. The Group does not receive most of the benefits or bear most of the risks, and does not control the company. SRF 1 is not included in the consolidated accounts.

The Group indirectly provides most of the funding for Modul Finance I and therefore bears most of the risks and receives most of the benefits. Modul Finance I is fully consolidated.

Detailed analysis of the asset securitization operations

SIC 12 reads as follows (para. 10): *"In addition to the situations described in IAS 27.13, the following circumstances, for example, may indicate a relationship in which an entity controls an SPE and consequently should consolidate the SPE (additional guidance is provided in the Appendix to this Interpretation):*

(a) in substance, the activities of the SPE are being conducted on behalf of the entity according to its specific business needs so that the entity obtains benefits from the SPE's operation

(b) in substance, the entity has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an 'autopilot' mechanism, the entity has delegated these decision-making powers;

(c) in substance, the entity has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE; or

(d) in substance, the entity retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities. "

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

- The agreements whereby the Group provides services or manages assets were concluded with entities that already existed and were not set up merely for the Group's specific business needs;
- The Group has no decision-making powers over the entities concerned or over their assets;
- The Group does not have rights to the majority of the economic benefits from those entities or to the majority of the risks linked to the businesses or the securitized assets. Full details on these operations are provided in the appendix.

note 1.5.1. TLR 2001 – THE "2001 TRUST"

a) The Group would not have provided its services to the 2001 Trust's business had the 2001 Trust not been set up. TLR 2001 is no more than one equipment investor among others.

b) The Group had no decision-making or executive power over the TLR 2001. It did not, for example, have the power to wind up the entity, nor to make or block amendments to its articles of association.

c) The financial benefits the Group received from TLR 2001 were limited to the net value of the initial and subsequent fees received for managing its assets. These benefits were insignificant compared to the value of the assets. In contrast to the other securitizations, the Group had an option to buy the assets of the 2001 Trust when it was wound up. The call option was at market value, and was not sufficiently attractive for the Group to be sure to buy back the assets on the liquidation of Trust 2001.

d) If the return on the 2001 Trust's assets failed to produce the expected profitability, TLR was able to draw on the collateral deposits put up by the Group. Discounting of cash flows at December 31, 2010 led the Group to write down these liquidity deposits by €2.1 million.

The Group did not guarantee any fixed rent. The Group did not guarantee the Trust's profitability. The Group's risks in relation to TLR 2001 were limited to the liquidity reserves as shown in the notes to the consolidated financial statements. The risk is insignificant compared to the value of the assets themselves. The Group did not own any equity of Trust 2001. Accordingly, as the Group did not control TLR 2001 as defined by SIC 12, TLR 2001 was not included in the scope of the consolidation on December 31, 2012.

On January 27, 2012 the Group decided to buy back the assets of TLR 2001.

Consequently TLR 2001 was wound up and no longer existed on December 31, 2012.

note 1.5.2. SRF Railcar Leasing Ltd

As of December 31, 2011, the TOUAX Group held 25.7554% of SRF Railcar Leasing Ltd's capital and voting rights. In compliance with IAS28 §6, the Group exercised significant influence (over 20% of voting rights) and therefore SFR Railcar Leasing Ltd was accounted for by the equity method.

TOUAX Rail Ltd increased its stake in the capital stock of SRF Railcar Leasing Ltd to 51% at the start of January 2012 and consequently it was fully consolidated from January 1, 2012.

note 1.5.3. SRF I

a) SRF I was created in order to invest in assets and not for the Group's operational requirements. This company acquired 100% of the shares of DV01 (Hungary) and Dunavagon (Slovakia). These companies respectively hold 300 railcars and 388 railcars.

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

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

d) Given that the majority stockholder finances 75% of the structure's debt and the TOUAX Group finances 25%, the majority stockholder bears most of the debt non-payment risk.

Accordingly, given that the Group does not control SRF I as defined by SIC 12, SRF I is not included in the scope of consolidation on December 31, 2013.

note 1.5.4. Modul Finance I

Modul Finance I was set up in 1997 in order to acquire a fleet of modular buildings managed by the TOUAX Group. The SIC 12 control assessment concluded that Modul Finance I should not be included in the scope of consolidation. On 14 January 2011 the TOUAX Group indirectly acquired the senior debt of Modul Finance I, represented by A units of the Moduloc private-debt fund. The holders of A units of the private-debt fund sold their units to a company incorporated in Luxembourg, HPMF, which financed this acquisition by issuing bonds. The TOUAX Group applied for 85% of the bonds issued, for a total of €7,048,000. At the same time, TOUAX sold its units in Modul Finance I and consequently is no longer a member of Modul Finance I. Since the TOUAX Group bears most of the risks and receives most of the benefits associated with the operations of Modul Finance I's assets, Modul Finance I has been included in the scope of consolidation since 2011. However, Modul Finance I's results are fully recognized as a minority stockholding, since the TOUAX Group does not have any stake in this entity.

note 1.6. Goodwill

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

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

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

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

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

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

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

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

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

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

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

note 1.7. INTANGIBLE FIXED ASSETS

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

note 1.8. TANGIBLE FIXED ASSETS

note 1.8.1. VALUATION AT COST NET OF AMORTIZATION AND IMPAIRMENT

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

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

note 1.8.2. "COMPONENT" APPROACH

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

In TOUAX's case, the component approach applies particularly to the River Barge division. The acquisition cost of pushboats is broken down into hull and power plant so that the engines can be depreciated over their useful lifetime, which is usually not more than ten years.

note 1.8.3. AMORTIZATION

Tangible assets are depreciated and are calculated using the straight-line method over the asset's useful lifetime. Land is not depreciated.

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

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

Useful lifetimes for assets acquired new are as follows:

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

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

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

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

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

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

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

Useful lifetimes of second-hand barges depend on their previous condition of use, and materials it carried (some materials being more corrosive than others). The expected lifetime of each barge bought second-hand is estimated on the basis of its date of construction, past use and the materials carried. The total useful lifetime applied never exceeds 36 years.

note 1.9. IMPAIRMENT OF FIXED ASSETS

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

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

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

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

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

note 1.10. LEASES

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

The Group also manages a number of assets on its own behalf.

The management contracts concluded by the Group with investors do not qualify under IAS 17 as finance leases. The amounts paid to these investors are posted under "net income distributed to investors" (see note to the consolidated financial statements note 1.21.5).

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

Assets managed by the Group on its own account are booked under Tangible fixed assets, if financed by means of finance leases, transferring to the Group virtually all the risks and benefits of ownership of the asset leased. They are recognized on the Assets side of the Balance Sheet, either at the leased asset's fair value at the start of the lease or at the discounted present value of the minimum financial lease payments, whichever is lower. The corresponding debt is entered under Financial Liabilities. Lease payments are broken down into financial charges and amortization of the debt, in such a way as to obtain a constant periodic rate on the balance of the remaining debt. The assets under a finance lease are depreciated over their useful lifetime in accordance with Group rules (see notes to the consolidated financial statements note 1.8). They are tested for impairment under IAS 36 "Impairment of Assets" (see notes to the consolidated financial statements note 1.9).

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

The examples given in IAS 17 (paras. 10 and 11) and the indications set out there justify classifying the commercial lease of the assembly plant at Mignières (France) as an operating lease.

note 1.11. INVENTORIES

Inventories essentially consist of goods bought for resale in the Shipping Container and Freight Railcar divisions, and to a lesser extent in the Modular Building division. The inventory turnover period is under a year. Goods in store for more than twelve months are classified as fixed assets.

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

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

note 1.12. PROVISIONS FOR RISKS AND CHARGES

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

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

note 1.13. PENSION AND SIMILAR LIABILITIES

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

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

note 1.14. OPERATING SUBSIDY

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

note 1.15. SHARE-BASED PAYMENTS

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

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

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

note 1.16. LONG-TERM NON-CURRENT LIABILITIES

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

note 1.17. TREASURY SHARES

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

note 1.18. FINANCIAL INSTRUMENTS

note 1.18.1. FINANCIAL ASSETS

The Group's financial assets include the following:

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

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

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

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

✓ Loans and receivables

For the Group, this category includes:

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

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

✓ Assets Held to maturity

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

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

✓ Assets Available for Sale

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

✓ Impairment testing of financial assets

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

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

note 1.18.2. CASH AND CASH EQUIVALENTS

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

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

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

note 1.18.3. FINANCIAL LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In 2013, the Group signed forward currency contracts (maturing in 2014) in order to hedge debts in USD, Czech crowns and Polish zloty. These derivatives constitute fair value hedges. The item hedged is revalued and the hedge itself is valued and carried at its fair value.

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

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

note 1.19. ISSUE OF UNDATED SECURITIES

In 2013, the Group issued two undated deeply subordinated securities (TSSDI) forming a single counterfoil for €32.775 million. The Group will have the option to pay them back at par value from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. Payment of the coupon is only mandatory if dividends are paid. Under IFRS (International Financial Reporting Standards) rules, these securities are booked entirely to stockholders' equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of the Group's assets and its business development financing requirements.

note 1.20. TAXES ON CORPORATE INCOME

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

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

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

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

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

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

note 1.21. REVENUES AND EXPENSES OF ORDINARY ACTIVITIES

note 1.21.1. REVENUE FROM ORDINARY ACTIVITIES: COMPONENTS

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

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

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

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

note 1.21.2. STATEMENT AND RECOGNITION OF REVENUES AND EXPENSES CONNECTED WITH THE GROUP'S TRUST CONTRACTS AND COMMISSIONED MANAGEMENT CONTRACTS

The Group operates and manages equipment on behalf of third-parties as part of its shipping container and freight railcar leasing businesses. Asset pools (including the Trust described in the notes to the consolidated financial statements note 1.5) are set up for this purpose, grouping together several investors including the Group. These pools group equipment usually of the same type and age. This form of organization makes it possible to share the revenues and expenses of equipment in a given pool.

According to an analysis of these management and securitization contracts in the light of international standards, the Group acts as principal both in its relations with investors (pools) on the one hand, and with customers on the other. the Group is entirely free to choose the customers, producers and suppliers it deals with, and to negotiate prices for the purchase, leasing and sale of the equipment it manages. Customers do not know the final owners of the equipment.

Accordingly the Group books all revenue and expense streams generated by these contracts to its Income Statement. It includes in its revenues the gross lease payments billed to its customers for all the pool-owned equipment it manages. The operating expenses of all the equipment managed are booked under Operating Expenses. A proportion of the net revenues is then returned to the investors (see notes to the consolidated financial statements note 1.21.6).

The following elements and criteria are taken into account in determining that the Group acts as "principal":

IAS 18 does not specify conditions or criteria for distinguishing between agent and principal. Under IAS 8, therefore, transactions may be judged by reference to US GAAP (EITF 99-19): there is no conflict between the principles of this EITF and the IASB framework or other IAS/IFRS.

Criteria enshrined in EITF 99-19 are reviewed in detail in the following paragraphs.

The criteria for concluding that a company is acting as principal are as follows:

- *The company is the primary obligor* in the arrangement: TOUAX SCA and its subsidiaries execute leases directly with the customers. Customers do not know the owners of the equipment.
- *The company has general inventory risk*: TOUAX SCA and its subsidiaries initially bear the risks connected with the equipment. TOUAX SCA may then have recourse to the owners for compensation.
- *The company has latitude in establishing price*: TOUAX SCA and its subsidiaries have complete freedom in the choice of customers and leasing rates, without referring to the equipment's owners.
- *The company changes the product or performs part of the service*: TOUAX SCA and its subsidiaries sign identical contracts with customers, regardless of who owns the equipment.
- *The company has discretion in supplier selection*: TOUAX SCA and its subsidiaries choose suppliers without referring to the equipment's owners.
- *The company has physical loss inventory risk*: TOUAX SCA and its subsidiaries initially bear the risk of the containers' loss. TOUAX SCA then turns to its customers or suppliers for compensation of such loss, and passes on that compensation to the equipment's owners.
- *The company has credit risk:* Each owner of equipment bears its own credit risk. TOUAX SCA and its subsidiaries bear the credit risk for their portion of pool ownership. TOUAX SCA and its subsidiaries are responsible for collection. If a customer defaults, TOUAX SCA is obliged to make every effort to find the owners' containers.

The criteria for concluding that a company is acting as agent are as follows:

- *The supplier (not the company) is the primary obligor in the arrangement*: As explained above, TOUAX SCA and its subsidiaries deal directly with their customers, who do not know the owners of the equipment.
- *The amount the company earned is fixed* : TOUAX SCA and its subsidiaries receive variable remuneration. Lease payments billed by TOUAX SCA and its subsidiaries to their customers are independent of the lease payments between TOUAX SCA and the equipment owners.
- *The supplier (and not the company) has credit risk*: As previously stated, each equipment owner bears its own credit risk. TOUAX SCA and its subsidiaries bear the credit risk for their portion of pool ownership. TOUAX SCA and its subsidiaries are responsible for collection. If a customer defaults, TOUAX SCA is obliged to make every effort to find the owners' containers.

In view of these characteristics, it may be concluded that TOUAX SCA is acting as principal.

note 1.21.3. LEASING REVENUES

Leasing revenues are the receipts from leasing out (on operating or financial leases) the equipment managed by the Group, for itself or on behalf of others, in the Group's four business divisions, as well as the receipts from additional services billed in the course of arranging those leases. It also includes the River Barge division's receipts from the freight, chartering and storage business. Interest income on finance leases to customers is also booked under leasing revenues.

Changes in leasing revenues are therefore directly connected with the equipment owned or managed by the Group, the lea-sing rates, and the utilization rate of the equipment.

When the sale of modular buildings is accompanied by a firm repurchase agreement at a fixed price (sale with repurchase clauses), the revenue from the sale is not booked immediately upon delivery as revenues from sales of equipment. Rather, it is recognized as lease payments which do not vary over the duration of the contract, for the difference between the sales price and the purchase price agreed with the customer. Those same modular buildings are capitalized, and are depreciated using the same Group depreciation schedule as for other modular buildings owned directly by the Group.

note 1.21.4. SALES OF EQUIPMENT

Sales of equipment corresponds to the revenue generated by trading, sales to investors in the Shipping Container and Freight Railcar divisions, and income from the sale of fixed assets intended for leasing. The corresponding purchases of equipment and the net book values are booked under External Purchases and Expenses in the type-classified Income Statement, and under Cost of Sales in the function-classified Income Statement. Equipment bought and not yet resold is accounted for in the end-of-period inventories (see notes to the consolidated financial statements note 1.11). Assignments of finance lease receivables are also included in Sales of equipment.

note 1.21.5. OPERATING PROVISIONS

This item mainly records further allocations to and drawings from provisions for bad and doubtful debts.

note 1.21.6. NET DISTRIBUTIONS TO INVESTORS

The operating revenues and expenses of assets that are part of investor pools (see notes to the consolidated accounts note 1.21.2) are broken down by pool, and the net revenues from each, less a management fee retained by the Group, are distributed among the pools' investors according to distribution rules established for each management program.

The portion of these revenues to be paid to the outside investors is recognized under net distributions to investors, in accordance with asset-management industry practice.

Due to the change in presentation of the income statement regarding sales of equipment belonging to investors, payment of the revenue from these sales, which was previously included in the income statement under Net distributions to investors, is now booked under Cost of sales. The 2010 financial statements have been restated accordingly.

note 1.21.7. OTHER OPERATING REVENUES AND EXPENSES

The significant, unusual or infrequent elements are presented separately in the income statement in other operating revenues and expenses. In particular, this section includes the goodwill impairment, the acquisition costs of the equity investments, the variations in the fair value of the additional amounts included in the prices agreed when acquiring stock and the restructuring costs.

note 1.22. OPERATING INCOME

Operating income is the difference between non-financial pretax revenues and expenses, excluding those from discontinued activities or activities currently being disposed of.

EBITDA (*Earnings before interest, tax, depreciation and amortization*), after distribution to investors, is an important indicator for the Group, allowing it to assess economic performance. It corresponds to the operating income after distribution to investors, but before depreciation and impairments recorded through impairment tests under IAS 36 (see the notes to the consolidated financial statements note 1.9).

note 1.23. SEGMENT INFORMATION

In view of the Group's basic structure and its internal operational organization, the first level of segment information applied in accordance with IFRS 8 "Segment information" is that based on the Group's various Divisions.

The Group is in the business of providing operating leases on standardized movable assets. It conducts this business in four divisions: Shipping Containers, Modular Buildings, River Barges and Freight Railcars.

Geographic sectors depend on the location of markets and reflect asset locations.

For the Modular Building, River Barge and Freight Railcar businesses, the services, markets and customers are in the same location.

In the Shipping Container business, however, markets are in other locations than those of customers and services. The location of the markets and geographic zones of the Shipping Container business correspond to the location of the assets, since the shipping containers are regularly moved from one country to another in the course of international trade, on hundreds of commercial shipping routes. The TOUAX Group has neither knowledge nor control over the location or movements of leased containers. Based on shipping container lease agreements in force on December 31, 2013, the containers may be in ports of over 100 countries worldwide. As a result, it is not possible to break down the revenue or assets of the Shipping Container business by geographic zone. The Shipping Container business is categorized in the international zone. This presentation is consistent with practices in the shipping container industry, often managed according to US GAAP.

NOTE 2. SCOPE OF CONSOLIDATION

note 2.1. CHANGES IN THE SCOPE OF CONSOLIDATION

Number of consolidated companies	2013	2012	2011
French companies	8	9	7
Foreign companies	35	37	32
TOTAL	**43**	**46**	**39**
Of which included in consolidation perimeter		8	1
Of which excluded from consolidation perimeter	3	1	

Eurobulk BVBA, Servicios fluviales and Touaxlease, which are no longer active, were wound up on the Group's. These companies were excluded from the scope of consolidation on this occasion.

note 2.2. LIST OF CONSOLIDATED COMPANIES IN 2013

COMPANY NAME	Activity	Geographical zone	Percentage of control	Method of consolidation
TOUAX SCA	Holding, parent company	Europe		
TOUAX CAPITAL SA	Services	Europe	99.99 %	FC*
TOUAX CORPORATE SAS	Services	Europe	100 %	FC*
GOLD CONTAINER Corporation	Shipping containers	North America	100 %	FC*
GOLD CONTAINER FINANCE Llc	Shipping containers	North America	100 %	FC*
GOLD CONTAINER Investment Ltd	Shipping containers	Asia	100 %	FC*
TOUAX CONTAINER Leasing Pte Ltd	Shipping containers	Asia	100 %	FC*
TOUAX CONTAINER LEASE RECEIVABLES Corp	Shipping containers	North America	100 %	FC*
TOUAX CONTAINER SERVICES SAS	Shipping containers	Europe	100 %	FC*
TOUAX CORP	Shipping containers	North America	100 %	FC*
TOUAX EQUIPMENT LEASING Corp	Shipping containers	North America	100 %	FC*
TOUAX FINANCE Inc.	Shipping containers	North America	100 %	FC*
TOUAX CONTAINER FINANCING Pte LTD	Shipping containers	Asia	100 %	FC*
TOUAX SOLUTIONS MODULAIRES SAS	Modular buildings	Europe	100 %	FC*
TOUAX SRO	Modular buildings	Europe	100 %	FC*
TOUAX SK SRO	Modular buildings	Europe	100 %	FC*
TOUAX Africa SAS	Modular buildings	Europe	51 %	FC*
MODUL FINANCE I SNC	Modular buildings	Europe	0 %	FC*
TOUAX Maroc Capital SARL	Modular buildings	Afrique	51 %	FC*
SACMI SARL	Modular buildings	Afrique	51 %	FC*
RAMCO SARL	Modular buildings	Afrique	51 %	FC*
TOUAX ASSETS BV	Modular buildings	Europe	100 %	FC*
TOUAX MODULAR BUILDING USA Llc	Modular buildings	North America	100 %	FC*
SIKO CONTAINERHANDEL GmbH	Modular buildings	Europe	100 %	FC*
TOUAX Sp.z.o.o	Modular buildings	Europe	100 %	FC*
TOUAX BV	Modular buildings	Europe	100 %	FC*
TOUAX CONSTRUCTION MODULAIRE SAS	Modular buildings	Europe	100 %	FC*
TOUAX ESPANA SA	Modular buildings	Europe	100 %	FC*
TOUAX NV	Modular buildings	Europe	100 %	FC*
CFCL TOUAX Llc	Freight railcars	North America	51 %	FC*
SRF RAILCAR LEASING Ltd	Freight railcars	Europe	51 %	FC*
TOUAX RAIL Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL FINANCE Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL FINANCE 2 Ltd	Freight railcars	Europe	100 %	FC*
TOUAX RAIL INDIA Ltd	Freight railcars	Europe	88.74 %	FC*
TOUAX RAIL ROMANIA SA	Freight railcars	Europe	57.4996 %	FC*
TOUAX TEXMACO RAILCAR LEASING Pte Ltd	Freight railcars	Asia	44.3695 %	FC*
CS DE JONGE BV	River barges	Europe	100 %	FC*
EUROBULK TRANSPORTMAATSCHAPPIJ BV	River barges	Europe	100 %	FC*
TOUAX RIVER BARGES SAS	River barges	Europe	100 %	FC*
TOUAX LEASING Corp	River barges	North America	100 %	FC*
TOUAX ROM SA	River barges	Europe	99.9978 %	FC*
TOUAX HYDROVIA Corp	River barges	North America	100 %	FC*

* Full consolidation

NOTE 3. SEGMENT INFORMATION

note 3.1. INCOME STATEMENT BY DIVISION

2013 (€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	TOTAL
Leasing revenue	87,798	70,251	14,919	34,074	12,724	(13,662)	206,104
Sales of equipment	100,645	32,725	8,878	910			143,158
TOTAL REVENUES	**188,443**	**102,976**	**23,797**	**34,984**	**12,724**	**(13,662)**	**349,262**
revenue of disposal of other assets		(21)	4		4		(13)
Income from ordinary activities	**188,443**	**102,955**	**23,801**	**34,984**	**12,728**	**(13,662)**	**349,249**
Acquisition cost of sales	(90,051)	(30,212)	(7,378)	(194)			(127,835)
Operating expenses	(25,535)	(45,241)	(6,554)	(13,740)	(38)	(85)	(91,193)
General, commercial and administrative operating expenses	(10,018)	(8,100)	(4,311)	(6,231)	(12,821)	13,747	(27,734)
GROSS OPERATING MARGIN (EBITDAR)	**62,839**	**19,402**	**5,558**	**14,819**	**(131)**		**102,487**
Depreciation, amortization and impairments	(1,510)	(23,771)	(3,818)	(8,397)	(453)		(37,949)
INCOME PER BUSINESS before distribution to investors	**61,329**	**(4,369)**	**1,740**	**6,422**	**(584)**		**64,538**
Net distributions to investors	(48,646)	(1,560)		(1,420)			(51,626)
OPERATING INCOME PER BUSINESS after distribution to investor	**12,683**	**(5,929)**	**1,740**	**5,002**	**(584)**		**12,912**
CURRENT OPERATING INCOME	**12,683**	**(5,929)**	**1,740**	**5,002**	**(584)**		**12,912**
Other operating revenues and expenses		(5,248)	(315)				(5,563)
OPERATING RESULT	**12,683**	**(11,177)**	**1,425**	**5,002**	**(584)**		**7,349**
Financial result							(20,300)
Shares of profit/(loss) of associates							
PROFIT BEFORE TAX							**(12,951)**
Corporate income tax							(1,928)
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**(14,879)**
Income from discontinued activities							
CONSOLIDATED NET PROFIT (LOSS)							**(14,879)**
Minority interests							(424)
CONSOLIDATED NET PROFIT (LOSS) (GROUP'S SHARE)							**(15,303)**

2012 (€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	TOTAL
Leasing revenue	87,344	78,885	14,715	37,877	11,447	(11,233)	219,034
Sales of equipment	86,358	37,726	11,119	3,749			138,952
TOTAL REVENUES	**173,702**	**116,611**	**25,834**	**41,626**	**11,447**	**(11,233)**	**357,986**
revenue of disposal of other assets		(22)					(22)
Income from ordinary activities	**173,702**	**116,589**	**25,834**	**41,626**	**11,447**	**(11,233)**	**357,964**
Acquisition cost of sales	(80,524)	(34,706)	(6,050)	(1,637)			(122,917)
Operating expenses	(20,370)	(43,157)	(8,510)	(20,616)	20	1,140	(91,493)
General, commercial and administrative operating expenses	(8,383)	(7,360)	(4,055)	(4,349)	(11,234)	10,093	(25,288)
GROSS OPERATING MARGIN (EBITDAR)	**64,426**	**31,366**	**7,218**	**15,024**	**233**		**118,267**
Depreciation, amortization and impairments	(2,535)	(18,928)	(3,036)	(7,156)	(503)		(32,157)
INCOME PER BUSINESS before distribution to investors	**61,891**	**12,437**	**4,182**	**7,868**	**(269)**		**86,109**
Net distributions to investors	(52,223)	(1,947)		(2,320)			(56,490)
OPERATING INCOME PER BUSINESS after distribution to investor	**9,668**	**10,491**	**4,182**	**5,548**	**(269)**		**29,619**
CURRENT OPERATING INCOME	**9,668**	**10,491**	**4,182**	**5,548**	**(269)**		**29,619**
Other operating revenues and expenses		(577)					(577)
OPERATING RESULT	**9,668**	**9,914**	**4,182**	**5,548**	**(269)**		**29,042**
Financial result							(17,567)
Shares of profit/(loss) of associates							
PROFIT BEFORE TAX							**11,475**
Corporate income tax							(2,749)
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**8,726**
Income from discontinued activities							
CONSOLIDATED NET PROFIT (LOSS)							**8,726**
Minority interests							420
CONSOLIDATED NET PROFIT (LOSS) (GROUP'S SHARE)							**9,146**

2011 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Corporate	Eliminations	TOTAL
Leasing revenue	76,937	82,090	20,370	41,938	11,529	(11,445)	221,419
Sales of equipment	49,462	29,746	3,170	32,017			114,395
TOTAL REVENUES	**126,399**	**111,836**	**23,540**	**73,955**	**11,529**	**(11,445)**	**335,814**
revenue of disposal of other assets		258			(46)		212
Income from ordinary activities	**126,399**	**112,094**	**23,540**	**73,955**	**11,483**	**(11,445)**	**336,026**
Acquisition cost of sales	(42,885)	(24,988)	(1,215)	(29,757)			(98,844)
Operating expenses	(17,478)	(41,459)	(12,177)	(24,138)		625	(94,628)
General, commercial and administrative operating expenses	(8,714)	(7,237)	(3,760)	(3,821)	(10,980)	10,820	(23,692)
GROSS OPERATING MARGIN (EBITDAR)	**57,322**	**38,410**	**6,388**	**16,238**	**503**		**118,862**
Depreciation, amortization and impairments	(1,115)	(18,485)	(3,122)	(3,116)	(429)		(26,267)
INCOME PER BUSINESS before distribution to investors	**56,208**	**19,925**	**3,266**	**13,122**	**74**		**92,595**
Net distributions to investors	(50,319)	(2,008)		(8,787)			(61,114)
OPERATING INCOME	**5,889**	**17,917**	**3,266**	**4,335**	**74**		**31,482**
Other operating revenues and expenses							
OPERATING RESULT	**5,889**	**17,917**	**3,266**	**4,335**	**74**		**31,482**
Financial result							(14,435)
Shares of profit/(loss) of associates							37
PROFIT BEFORE TAX							**17,084**
Corporate income tax							(4,135)
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES							**12,949**
Income from discontinued activities							
CONSOLIDATED NET PROFIT (LOSS)							**12,949**
Minority interests							485
CONSOLIDATED NET PROFIT (LOSS) (GROUP'S SHARE)							**13,434**

note 3.2. BALANCE SHEET BY DIVISION

December 31, 2013 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	TOTAL
ASSETS						
Goodwill		23,498		5,101		28,599
Net intangible assets	139	89	22	565	230	1,045
Net tangible assets	25,158	227,403	56,080	213,751	1,380	523,772
Long-term financial assets	116	357	410	1,163	339	2,385
Investments in associates						
Other non-current assets	1,968	242	3,618			5,828
Deferred tax assets					1,207	1,207
TOTAL non-current assets	**27,381**	**251,589**	**60,130**	**220,580**	**3,156**	**562,836**
Inventory and work-in-progress	47,104	5,237	32	8,718		61,091
Accounts receivable	14,578	27,389	2,462	3,971	54	48,454
Other current assets	5,502	6,924	2,281	2,346	1,239	18,292
Cash and cash equivalents					53,895	53,895
TOTAL current assets	**67,184**	**39,550**	**4,775**	**15,035**	**55,188**	**181,732**
Assets intended for transfer						
TOTAL ASSETS						**744,568**
LIABILITIES						
Share capital					47,070	47,070
Hybrid capital					32,439	32,439
Reserves					92,650	92,650
Profit (loss) for the fiscal year, Group's share					(15,303)	(15,303)
Shareholders' equity of the Group					**156,856**	**156,856**
Minority interests		3,779		23,770		27,549
Consolidated shareholders' equity					**156,856**	**184,405**
Loans and borrowings					347,540	347,540
Deferred tax liabilities					6,388	6,388
Retirement benefits and similar benefits	16	147	11		215	389
Other long-term liabilities		3,009				3,009
TOTAL non-current liabilities	**16**	**3,156**	**11**		**354,143**	**357,326**
Provisions	4	1,985			210	2,199
Loans and current bank facilities					106,049	106,049
Trade accounts payable	23,307	16,794	1,860	3,046	1,332	46,339
Other current liabilities	25,175	17,840	1,903	512	2,820	48,250
TOTAL current liabilities	**48,486**	**36,619**	**3,763**	**3,558**	**110,411**	**202,837**
Liabilities intended for transfer						
TOTAL LIABILITIES						**744,568**
Tangible & intangible investments during the year	1,196	22,876	8,407	14,421	329	47,229
Workforce by business	**31**	**603**	**17**	**30**	**39**	**720**

December 31, 2012 *(€ thousands)*	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	TOTAL
ASSETS						
Goodwill		28,704	315	5,101		34,120
Net intangible assets	200	261	25	689	248	1,423
Net tangible assets	31,293	232,270	59,324	193,945	1,479	518,311
Long-term financial assets	36	362	434	1,163	344	2,339
Investments in associates						
Other non-current assets	2,692	37	4,353			7,082
Deferred tax assets					494	494
TOTAL non-current assets	**34,221**	**261,634**	**64,451**	**200,898**	**2,565**	**563,769**
Inventory and work-in-progress	37,507	10,649	249	22,461		70,866
Accounts receivable	14,946	39,571	2,665	5,367	105	62,654
Other current assets	4,348	6,697	3,249	4,112	1,295	19,701
Cash and cash equivalents					59,144	59,144
TOTAL current assets	**56,801**	**56,917**	**6,163**	**31,940**	**60,544**	**212,365**
Assets intended for transfer						
TOTAL ASSETS						**776,134**
LIABILITIES						
Share capital					45,922	45,922
Reserves					93,910	93,910
Profit (loss) for the fiscal year, Group's share					9,146	9,146
Shareholders' equity of the Group					**148,978**	**148,978**
Minority interests		338	(2)	23,699		24,035
Consolidated shareholders' equity					**148,978**	**173,013**
Loans and borrowings					368,873	368,873
Deferred tax liabilities					5,658	5,658
Retirement benefits and similar benefits	25	131	5		198	359
Other long-term liabilities		1,102				1,102
TOTAL non-current liabilities	**25**	**1,233**	**5**		**374,729**	**375,992**
Provisions	4		200		362	566
Loans and current bank facilities					122,910	122,910
Trade accounts payable	13,544	19,295	1,145	4,152	999	39,135
Other current liabilities	25,937	25,301	10,162	463	2,655	64,518
TOTAL current liabilities	**39,485**	**44,596**	**11,507**	**4,615**	**126,926**	**227,129**
Liabilities intended for transfer						
TOTAL LIABILITIES						**776,134**
Tangible & intangible investments during the year	9,615	21,538	16,042	17,311	179	64,685
Workforce by business	**32**	**636**	**21**	**30**	**41**	**760**

December 31, 2011 (€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Unallocated	TOTAL
ASSETS						
Goodwill		17,607	315	4,554		22,476
Net intangible assets	240	379			251	870
Net tangible assets	6,655	221,981	51,429	83,687	1,766	365,518
Long-term financial assets	541	586	22	9,062	335	10,546
Investments in associates				676		676
Other non-current assets	3,245	30	5,805		1,010	10,090
Deferred tax assets					436	436
TOTAL non-current assets	**10,681**	**240,583**	**57,571**	**97,979**	**3,798**	**410,612**
Inventory and work-in-progress	26,582	10,157	123	32,485		69,347
Accounts receivable	14,632	38,724	4,161	6,603	72	64,192
Other current assets	6,940	4,804	2,198	3,497	752	18,191
Cash and cash equivalents					44,259	44,259
TOTAL current assets	**48,154**	**53,685**	**6,482**	**42,585**	**45,083**	**195,989**
Assets intended for transfer						
TOTAL ASSETS						**606,601**
LIABILITIES						
Share capital					45,766	45,766
Reserves					87,683	87,683
Profit (loss) for the fiscal year, Group's share					13,434	13,434
Shareholders' equity of the Group					**146,883**	**146,883**
Minority interests		(403)	(331)	167		(567)
Consolidated shareholders' equity					**146,883**	**146,316**
Loans and borrowings					247,746	247,746
Deferred tax liabilities					5,309	5,309
Retirement benefits and similar benefits	18	121	2		166	307
Other long-term liabilities		1,113				1,113
TOTAL non-current liabilities	**18**	**1,234**	**2**		**253,221**	**254,475**
Provisions	4	669	200	241	487	1,601
Loans and current bank facilities					116,304	116,304
Trade accounts payable	2,539	17,146	2,345	7,074	758	29,862
Other current liabilities	29,995	13,806	8,062	3,961	2,219	58,043
TOTAL current liabilities	**32,538**	**31,621**	**10,607**	**11,276**	**119,768**	**205,810**
Liabilities intended for transfer						
TOTAL LIABILITIES						**606,601**
Tangible & intangible investments during the year	171	31,998	5,809	16,308	1,562	55,848
Workforce by business	**29**	**558**	**52**	**27**	**34**	**700**

note 3.3. GEOGRAPHICAL SEGMENT REPORTING

(€ thousands)	International	Europe	Americas	Africa	Asia	TOTAL
2012						
Revenue	187,557	138,459	13,955	9,291		349,262
Tangible and intangible investments	1,190	37,513	7,899	627	1	47,229
Sectoral non-current assets	27,349	468,705	48,445	16,564	565	561,628
2011						
Revenue	173,702	166,045	13,251	4,989		357,987
Tangible and intangible investments	9,605	33,789	20,522	40	729	64,685
Sectoral non-current assets	34,196	463,690	47,929	16,636	689	563,140
2010						
Revenue	126,399	201,953	7,462			335,814
Tangible and intangible investments	164	51,427	4,259			55,850
Sectoral non-current assets	10,172	367,075	32,929			410,176

NOTES REGARDING THE INCOME STATEMENT

NOTE 4. REVENUE FROM ORDINARY ACTIVITIES

Breakdown by type *(€ thousands)*	**2013**	2012	Variation 2013/2012		2011
Leasing revenue	206,104	219,034	(12,930)	-5.9%	221,419
Sales of new and second-hand equipment	143,158	138,952	4,206	3.0%	114,395
TOTAL	**349,262**	**357,986**	**(8,724)**	**-2.4%**	**335,814**
Capital gain on disposal	(13)	(22)	9	-40.9%	212
TOTAL Income from ordinary activities	**349,249**	**357,964**	**(8,715)**	**-2.4%**	**336,026**

The consolidated revenue for 2013 came to €349 million compared with €358 million in 2012, i.e. a 2.4% drop (-1.9% at constant exchange rates and excluding changes in the scope of consolidation).

Leasing revenues

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

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

The leasing revenue fell mainly due to low levels of business in Europe in the Modular Building division and the reduction in the fleet of managed railcars. The leasing business of the Shipping Container and River Barge divisions increased in 2013.

Sale of new and used equipment

Equipment sales mainly involve the sale of equipment to investors (syndication). The equipment is then managed by the Group under management programs. In addition, Sales of equipment includes sales of modular buildings to end customers, as well as sales of equipment belonging to investors.

Sales rose by 3% due to syndications in the 4th quarter in the Shipping Container division, in spite of a fall in sales of modular buildings and river barges compared with 2012. Sales of shipping containers increased thanks to the dynamism of the market in a context of growth in global flows.

NOTE 5. PURCHASES AND OTHER EXTERNAL EXPENSES

The change in the purchases and the other external expenses is largely due to the change in equipment sales which increased by 3 % in 2013 offset by a decrease in other external services which are more closely related with the leasing business.

NOTE 6. STAFF COSTS

(€ thousands)	**2013**	2012	Variation 2013/2012		2011
Salaries & social security charges	(31,954)	(29,513)	(2,442)	8%	(28,775)
Workforce	**720**	**760**	**(40)**	**-5%**	**700**

To enable the employees of the economic and social unit (which includes TOUAX Corporate, TOUAX Solutions Modulaires, TOUAX Container Services and TOUAX River Barges) and of TOUAX Construction Modulaire to share in the Group's performance, agreements were signed allowing amounts to be paid to employees which they can invest in the Company Savings Plan.

Compulsory profit-sharing agreement:

The formula adopted is the legal calculation formula. Half of the amount is distributed in proportion to attendance time in the company during the fiscal year, and half is distributed in proportion to the salary of each beneficiary during the fiscal year concerned.

Voluntary profit-sharing agreement:

The performance indicator applied is the net earnings per share and the average number of shares of the Group included in the consolidated financial statements (according to a specific calculation defined in the agreement).

No stock option plans were introduced in 2013.

The French competitiveness and employment tax credit (Crédit d'Impôt Compétitivité Emploi) is deducted from the staff costs in the accounts. The total is not significant.

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

(€ thousands)	**2013**	2012	Variation 2013/2012		2011
Other operating income	1,001	2,339	(1,338)	-57%	4,239
Other operating charges	(1,159)	(1,967)	808	-41%	(3,802)
TOTAL Other operating income and charges	**(158)**	**372**	**(530)**	**-142%**	**437**

In 2013, the other operating revenues and expenses include various revenues and expenses involved in current operations.

In 2012 the Group recovered about US$1 million of deposits made in connection with the TLR 2001 operation, following the purchase of its fleet of shipping containers and railcars. The impairment tests for financial assets conducted in 2009 resulted in the Group posting a loss for these deposits under other operating charges. Repayment of these deposits was recognized under other operating income in 2012.

In 2011, the other operating expenses are mainly composed of irrecoverable losses from doubtful debts. Other operating income comprised in particular the recognition in income of a debt to one of our suppliers which was also a customer of the TOUAX Group. The company has been under a bankrupting procedure, resulting in the recognition in income of the outstanding debt, and recognition in expenses of the outstanding receivable.

NOTE 8. OPERATING PROVISIONS

(€ thousands)	**2013**	2012	Variation 2013/2012		2011
Reversals of operating provisions	2,376	5,332	(2,956)	-55%	3,802
Allocation to operating provisions	(7,109)	(6,748)	(361)	5%	(10,148)
TOTAL Operating provisions	**(4,733)**	**(1,416)**	**(3,317)**	**234%**	**(6,346)**

Operating provisions and reversals correspond to provisions and reversals of provisions for doubtful debts for € 3.8 million net and provisions for risks and charges amounted € 0.9 million.

NOTE 9. DEPRECIATION AND IMPAIRMENT

(€ thousands)	**2013**	2012	Variation 2013/2012		2011
Straight-line depreciation	(28,692)	(23,609)	(5,083)	22%	(18,059)
Depreciation expense for leasing agreements	(9,225)	(8,499)	(726)	9%	(8,119)
Depreciation expense	**(37,917)**	**(32,108)**	**(5,809)**	**18%**	**(26,178)**
Other allocations to provisions	(32)	(50)	18	-36%	(89)
TOTAL	**(37,949)**	**(32,157)**	**(5,791)**	**18%**	**(26,267)**

The rise in the depreciation provisions reflects the Group's investments, as well as the posting of an impairment of the assets of the modular building division for a value of €3.9 million.

Other Provisions comprise solely provisions and drawings from superannuation commitments.

NOTE 10. NET DISTRIBUTIONS TO INVESTORS

Net distributions to investors are broken down by division as follows:

(€ thousands)	**2013**	2012	Variation 2013/2012		2011
Shipping Containers	(48,646)	(52,223)	3,576	-7%	(50,319)
Modular Buildings	(1,560)	(1,947)	386	-20%	(2,008)
River Barges					
Freight Railcars	(1,420)	(2,320)	900	-39%	(8,787)
TOTAL	**(51,626)**	**(56,490)**	**4,863**	**-9%**	**(61,114)**

The drop in net distributions to investors is due to a downturn in the leasing business.

Shipping Containers

On 31 December 2013, the Group managed 447,291 TEUs for third parties, compared with 416,740 on 31 December 2012. For the record, a TEU (Twenty foot Equivalent Unit) is a twenty foot long container. Most of the sales of shipping containers to investors were carried out in December 2013 and have not yet resulted in revenue distributions for the period.

Modular Buildings

On behalf of third-party owners, the Group manages 5,094 modular buildings in France, Germany and the Netherlands.

Freight Railcars

The Group managed 2,594 railcars (3,030 platforms) in Europe and the USA in 2013 on behalf of third parties, compared with 3,982 railcars (4,486 platforms).

NOTE 11. OTHER OPERATING REVENUES AND EXPENSES

In 2013, the other operating revenues and expenses mainly include the impairment of the goodwill associated with the acquisition of the modular building factory in the Czech Republic for €3.9 million and the impairment of the goodwill of our Eurobulk BV subsidiary of the River Barge division for €0.3 million.

In 2013, the other operating revenues and expenses include the restructuring expenses of the modular buildings assembly unit based in Mignières, which came to €1.5 million.

NOTE 12. FINANCIAL PROFIT OR LOSS

(€ thousands)	**2013**	2012	variation 2013/2012		2011
Income from cash and cash equivalents	**207**	**101**	**106**	**105%**	**52**
Interest payable on financing transactions	(19,830)	(17,593)	(2,237)	13%	(14,541)
Cost of gross financial debt	(19,830)	(17,593)	(2,237)	13%	(14,541)
Cost of net financial debt	**(19,623)**	**(17,492)**	**(2,131)**	**12%**	**(14,489)**
Profit and loss on debt extinguishment	(555)	14	(569)	-4064%	(274)
Dividends received					
Financial income and charges from discounting	(26)	133	(159)	-120%	(23)
Other financial income and charges	(96)	(222)	126	-57%	352
Other financial income and charges	**(677)**	**(75)**	**(602)**	**803%**	**55**
FINANCIAL RESULT	**(20,300)**	**(17,567)**	**(2,733)**	**16%**	**(14,434)**

The change in the financial profit or loss can be explained by the rise in the average debt and the interest rate during the fiscal year.

NOTE 13. CORPORATE INCOME TAX

note 13.1. ANALYSIS OF THE TAX CHARGE BOOKED TO THE INCOME STATEMENT

Taxes on profits consist of taxes currently payable by Group companies and deferred tax arising from tax losses and temporary discrepancies between consolidated income shown in the Group's Financial Statements and income established for tax purposes.

The Group has opted for tax consolidation in the USA, France and the Netherlands and formed the following groups:

- TOUAX Corp., Gold Container Corp., Gold Container Finance Llc, TOUAX Finance Inc., TOUAX Container Lease Receivables Corp. and TOUAX Equipment Leasing Corp. : American tax group,
- TOUAX MODULAR BUILDING Llc and TOUAX LEASING CORP: American tax group,
- TOUAX SCA, TOUAX Solutions Modulaires SAS, TOUAX Construction Modulaire SAS, TOUAX Container Services SAS, TOUAX Corporate SAS and TOUAX River Barges SAS: French tax group,
- TOUAX BV and TOUAX Asset BV: Dutch tax group,
- Eurobulk Transport Maatschappij BV and CS de Jonge BV: Dutch tax group.

note 13.1.1. BREAKDOWN OF THE TAX CHARGE

The tax charge booked to the income statement comes to €1.9 million (compared with €2.7 million in 2012 and €4.1 million in 2011). It breaks down as follows:

(€ thousands)	2013			2012			2011		
	Payable	Deferred	TOTAL	Payable	Deferred	TOTAL	Payable	Deferred	TOTAL
Europe	(1,529)	883	(647)	(2,477)	385	(2,092)	(3,666)	(292)	(3,958)
USA	370	(718)	(348)		(346)	(346)		(8)	(8)
Others	(926)	(7)	(933)	(434)	123	(312)	(168)		(168)
TOTAL	**(2,085)**	**157**	**(1,928)**	**(2,911)**	**162**	**(2,749)**	**(3,835)**	**(300)**	**(4,135)**

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

(€ thousands)	**2013**
Total profit before tax and extraordinary items	**(12,951)**
Theoretical tax at the current French rate of taxation	4,317
Restrictions on deferred tax items	(7,592)
Temporary differences	(276)
Permanent differences and other elements	(1,646)
New losses during the period	(146)
Current benefit of earlier losses	30
Difference in tax rate	3,385
EFFECTIVE TAX BURDEN	**(1,928)**

Outstanding deferred tax assets in France not recognized in the accounts are estimated at €11.8 million. Outstanding deferred tax assets in the Netherlands not recognized in the accounts are estimated at €1.3 million.

note 13.2. TAXES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY

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

(€ thousands)	**2012**	**Changes by shareholders' equity**	**2013**
Redeemable warrants	(54)		(54)
Swaps evaluation	399	(466)	(67)
Revaluation of net investments	313	25	338
TOTAL	**658**	**(441)**	**217**

note 13.3. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax position is as follows:

(€ thousands)	**2013**	2012	2011
Deferred tax asset	1,207	494	436
Deferred tax liability	(6,388)	(5,658)	(5,309)
TOTAL	**(5,181)**	**(5,164)**	**(4,873)**

Net deferred tax liabilities are broken down as follows:

(€ thousands)	**2013**
Depreciation of fixed assets	(18,054)
Unused tax losses	11,815
Discounting of financial assets	42
Provisions for doubtful accounts	248
Miscellaneous	768
NET BALANCE	**(5,181)**

NOTE 14. NET INCOME PER SHARE

Basic earnings per share are calculated by dividing the company's net income by the weighted mean number of shares in circulation during the period. No adjustment was made for treasury stock in view of their insignificant number (0.06 % of the capital stock at December 31, 2013).

Diluted income per share is calculated by adjusting the weighted mean number of shares in circulation so as to take account of the conversion of all the equity instruments that could dilute this figure. The only remaining type of potentially dilutive equity instruments held by the company on 31 December 2013 were redeemable stock warrants.

	2013	2012
Net consolidated net profit - group's share (€)	(15,303,403)	9,145,961
Outstanding shares at December 31	5,883,773	5,740,267
Weighted average number of outstanding ordinary shares	5,817,328	5,732,513
Potential number of shares		
- 2006 Stock options plan*		
- 2007 exercisable/transferable equity warrant bonds**		
- 2008 stock warrants ***		
Weighted average number of shares for calculation of the diluted earnings per share	5,817,328	5,732,513
NET EARNINGS PER SHARE		
- basic	-2.63	1.60
- diluted	-2.63	1.60

* 2006 stock options have been exercised or have expired in 2012

** the market price at 31 December 2013 is lower than the exercice price of the warrants

*** the remaining warrants have expired on 12 March 2012

NOTES CONCERNING THE BALANCE SHEET

ASSETS

NOTE 15. GOODWILL

Changes in goodwill were as follows:

(€ thousands)	2011	2012	Increase	Decrease	Translation adjustment	2013
Modular Buildings						
Siko Containerhandel Gmbh	1,583	1,583				1,583
Touax Sro - Touax SK Sro	16,009	16,411		(3,900)	(1,149)	11,362
Touax Modular Building USA,Inc	15	15		(14)		1
Sacmi/Ramco Sarl		10,695			(142)	10,553
River Barges						
Eurobulk Transport Maatschappij BV	221	221		(221)		
CS de Jonge BV	91	91		(91)		
Touax Rom SA	3	3		(4)		
Freight Railcars						
SRF Railcar Leasing Ltd		547				547
Touax Rail Limited	4,554	4,554				4,554
TOTAL	**22,476**	**34,120**		**(4,230)**	**(1,292)**	**28,599**

During the 2012 fiscal year, the variation in goodwill was mainly due to the acquisition of Sacmi/Ramco, two Moroccan entities that joined the Modular Building business.

On July 1, 2012, TOUAX and its financial partner ADP I (a fund specialized in investments in Africa and advised by DPI), acquired a 90% majority interest (now a 100% interest) in SACMI, the Moroccan market leader on the modular buildings sector, as well as a 100% interest in RAMCO, a leasing company.

SACMI manufactures, sells and leases modular buildings in Morocco and in Africa. SACMI is the market leader in Morocco and has a varied range of products, such as administrative, industrial and worksite buildings, site facilities and telecom shelters. Its customers include local authorities and leading industrial companies, particularly in the telecom and construction sectors. The goodwill arising from the acquisition of SACMI/RAMCO mainly represents the potential of the African market where there are substantial requirements for modular buildings.

	SACMI		RAMCO	
	In Moroccan Dirham (MAD) thousands	€ thousands	In Moroccan Dirham (MAD) thousands	€ thousands
Payment at the closing	151,543	13,635	13,025	1,172
Loans and advances to customers	6,637	597		
Vendor credit (12 months)	40,174	3,615		
Price for 10% of the purchase option	23,362	2,102		
TOTAL ACQUISITION PRICE	**221,716**	**19,949**	**13,025**	**1,172**
Value accrued				
Intangible fixed assets	36	3	12	1
Tangible fixed assets	64,505	5,804	4,843	436
Long-term financial assets	125	11	49	4
Inventories	29,747	2,676	482	43
Loans and advances to customers	34,326	3,089	4,503	405
Other current assets	7,299	657	665	60
Cash and cash equivalents	28,756	2,587	2,133	192
Financial indebtedness	(23,908)	(2,151)	(776)	(70)
Deferred tax liabilities	(8,115)	(730)	(433)	(39)
Other current liabilities	(27,490)	(2,473)	(882)	(79)
Fair value of the net asset acquired	**105,282**	**9,473**	**10,595**	**953**
PROVISIONAL GOODWILL	**116,435**	**10,476**	**2,430**	**219**

The balance of the acquisition cost of the stock was paid in 2013, 12 months after the acquisition date. The receivables included on SACMI's balance sheet on the acquisition date and recovered within 12 months of the acquisition were paid to the vendor. These additional amounts are included in the purchase price. Moreover, the Group exercised its option to buy the remaining minority stake in 2013. The price of this option was agreed contractually between the two parties based on a multiple of the management balance and the balance sheet, or a predefined amount if it is higher than the result of the formula.

SRF Railcar Leasing Ltd is an investment company accounted for by the equity method in 2011. The Group took control of the company at the beginning of January 2012 and it is now fully consolidated. According to IFRS 3, takeover of a company previously accounted for by the equity method is equivalent to the sale and subsequent acquisition of the company. This transaction therefore generated goodwill of €547,000.

Impairment tests

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

The table below presents the main assumptions used:

Cash-generating unit *(€ thousands)*	Value of associated goodwill	2013 discount rate	2013 Terminal growth rate	2012 discount rate	2012 Terminal growth rate
Modular Buildings	23,498	8.10%	2.00%	6.40%	2.00%
River Barges		7.58%	2.00%	8.05%	2.00%
Freight Railcars	5,101	7.89%	2.00%	6.84%	2.00%
TOTAL	**28,599**				

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

The growth rate applied is 2 %, corresponding to the ECB's forecasts for the rate of inflation.

Analyses were carried out to assess the sensitivity of the recoverable value to a possible adjustment of a key hypothesis (notably a 100 base point rise in discount rate and a 100 base point reduction of the perpetual growth rate).

In 2013, there was an impairment of the goodwill of the Czech Republic for €3.9 million following the drop in demand for modular buildings in Europe, including Poland and Germany in particular. There was an impairment of €0.3 million in the goodwill of Eurobulk BV, the Dutch subsidiary of the River Barge division.

NOTE 16. INTANGIBLE FIXED ASSETS

(€ thousands)	2012	Purchases	Sales	Allocation for the fiscal year	Variation in conversion	reclassification and ultimate disposal	**2013**
Shipping Containers	200	29		(83)	(7)		139
Modular Buildings	261	76	(5)	(247)	(1)		89
River Barges	25			(5)		2	22
Freight Railcars	689	1		(23)	(101)		565
Corporate	248	77	(1)	(97)		1	231
	1,423	**182**	**(6)**	**(455)**	**(109)**	**3**	**1,045**

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

NOTE 17. TANGIBLE FIXED ASSETS

note 17.1. BREAKDOWN BY TYPE

	2013			2012	2011
(€ thousands)	**Gross value**	**Amort.**	**Net val.**	Net val.	Net val.
Land and buildings	13,185	(3,070)	10,116	11,195	6,474
Equipment	651,626	(144,646)	506,979	500,551	353,016
Other tangible assets	13,916	(10,117)	3,798	4,486	5,009
Tangible assets in progress	2,948	(69)	2,879	2,080	1,018
TOTAL	**681,675**	**(157,903)**	**523,772**	**518,311**	**365,518**

note 17.2. CHANGES IN GROSS VALUE, BY TYPE

(€ thousands)	**01/01/2013**	Purchases	Sales	Variation in conversion	Reclassification and inclusion in the perimeter	**31/12/2013**
Land and buildings	13,336	124	(233)	(315)	275	13,187
Equipment	620,435	40,472	(24,198)	(4,756)	19,672	651,625
Other tangible assets	13,856	862	(570)	(207)	(26)	13,915
Tangible assets in progress	2,080	5,589		(8)	(4,713)	2,948
TOTAL	**649,707**	**47,047**	**(25,001)**	**(5,286)**	**15,208**	**681,675**

Equipment acquisitions came to €22.8 million for the modular buildings, €14.4 million for the railcars, €8.4 million for the river barges and €1.2 million for the shipping containers.

Sales of fixed assets came to €8.4 million for the modular buildings, €8.2 million for the river barges and €7.9 million for the shipping containers.

Inventory transferred to tangible fixed assets came to €1.6 million for the shipping container business and €14.2 million for the Freight Railcar business.

The Group's tangible fixed assets comprise leasing equipment (shipping containers, modular buildings, river barges and freight railcars). Unit values of shipping containers and modular buildings do not exceed €10,000. Unit values of freight railcars range from €10,000 for secondhand 60-ft railcars to €125,000 for new 106-ft articulated intermodal railcars. The unit values of river barges range from €150,000 for secondhand 1,700-ton barges, to over €1m for new 2,800-ton barges.

As a result of the impairment in 2013, the value of the tangible assets of the Modular Building division in Europe was depreciated by €3.9 million.

NOTE 18. FINANCIAL INSTRUMENTS

The implementation of interest rate and exchange rate hedging products exposes the Group to a potential counterparty default. The compulsory application of the IFRS 13 standard on 1 January 2013 has no impact on the accounts of the fiscal year.

note 18.1. GROSS VALUE

note 18.1.1. NON-CURRENT FINANCIAL ASSETS

Securities available for sale - Gross value			
(€ thousands)	**2013**	2012	2011
Opening total	1,500	1,531	1,484
Increases			
Decreases	(15)	(2)	(1)
Difference on conversion	(64)	(29)	48
Other changes			
Closing total	**1,420**	**1,500**	**1,531**

Securities available for sale - Impairment in income statement			
	2013	2012	2011
Opening total	(1,484)	(1,513)	(1,465)
Increases			
Decreases			
Difference on conversion	64	29	(48)
Other changes			
Closing total	**(1,419)**	**(1,484)**	**(1,513)**

Securities available for sale - Net value			
	2013	2012	2011
Opening total	**16**	**18**	**19**
Closing total	**1**	**16**	**18**

Other N.C. financial assets - Gross value			
	2013	2012	2011
Opening total	5,794	17,108	14,653
Increases	120	190	3,944
Decreases	(21)	(581)	(1,539)
Difference on conversion	(27)	10	112
Other changes	(32)	(10,932)	(61)
Closing total	**5,834**	**5,794**	**17,108**

Other N.C. financial assets - Impairment in income statement			
	2013	2012	2011
Opening total	(3,471)	(6,581)	(6,697)
Increases			
Decreases			225
Difference on conversion	22	(11)	(108)
Other changes		3,120	
Closing total	**(3,449)**	**(3,471)**	**(6,581)**

N.C. financial assets - Net value			
	2013	2012	2011
Opening total	**2,323**	**10,527**	**7,955**
Closing total	**2,384**	**2,323**	**10,527**

Securities available for sale: These comprise a minority stake in an unlisted storage container leasing company in the USA. The holding was fully written down in 2007 (€1.4 million). The value of the equity interests on 31 December 2013 was almost nil.

Interests in associated companies

SRF Railcar Leasing was accounted for by the Group by the equity method from 2010. The Group took control of the company at the beginning of 2012 and it is now fully consolidated.

On 31 December 2013, there was no stake held in the associated companies.

Financial data of the associated company

(€ thousands)	**2013**	2012	2011
TOTAL assets and liabilities			86,062
Revenues			6203
Net income			142

Changes in holdings in associated companies

	2013	2012	2011
At beginning of financial period			**1,087**
Share of net income			37
Subscription to capital			
Elimination if internal income			(279)
Fair value of financial instruments			(173)
Miscellaneous			4
At the end of the financial period			**676**

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

There were no significant variations during the 2013 fiscal year.

All of the loan granted to SRF Railcar Leasing Ltd, i.e. €7.6 million, was transferred to equity interests in the consolidated companies when it was taken over in January 2012. This company was accounted for by the equity method until December 31, 2011 and is now fully consolidated.

note 18.1.2. OTHER FIXED ASSETS

Finance lease receivables - Gross value *(€ thousands)*	2013	2012	2011
Opening total	7,082	9,061	11,379
Increases	990	33	824
Decreases	(67)	(6)	(2,031)
Difference on conversion	(249)	(130)	227
Other changes	(2,058)	(1,876)	(1,338)
CLOSING TOTAL	**5,699**	**7,082**	**9,061**

Finance lease receivables - Impairment in income statement *(€ thousands)*	2013	2012	2011
Opening total			(1,280)
Increases			
Decreases			1,280
Difference on conversion			
Other changes			
CLOSING TOTAL			

Finance lease receivables - Net value *(€ thousands)*	2013	2012	2011
Opening total	7,082	9,061	10,099
CLOSING TOTAL	**5,698**	**7,082**	**9,061**

Financial derivative assets at fair value *(€ thousands)*	2013	2012	2011
Opening total		1,029	77
Increases			
Change in fair value	206		956
Difference on conversion	(5)	1	(4)
Other changes	(71)	(1,030)	
CLOSING TOTAL	**129**		**1,029**

Interest rate swaps included under non-current derivatives are valued at fair value; the effective portion is included in stockholders' equity, and the ineffective portion in income.

The Group's assets include assets held under finance leases, in which it acts as lessor, amounting to a net book value of €7.9 million (€5.7 million in other non-current assets and €2.2 million in other current assets) and a historical cost of €14.3 million.

(€ thousands)	Minimum future payments	Discounted minimun future payments
< 1 year (+)	3,095	2,195
2 - 5 years (+)	6,893	5,554
> 5 years (+)	123	116
TOTAL	**10,111**	**7,866**
Discounting of finance leases	2,245	
Discounted minimum future payments	**7,866**	**7,866**
Presentation in the balance sheet of finance lease receivables		
Other current assets		2,195
Other non-current assets		5,671
TOTAL		**7,866**

The interest rate applied in each finance lease is determined on the day the contract is signed. The average rate of interest used was 11.71 % on December 31, 2013. The interest income from finance leases is recorded under leasing revenue (€1.1 million in 2013 compared with €1.3 million in 2012).

Customer reimbursements of finance lease receivables corresponding to the net investment booked on the balance sheet under assets came to €1.6 million in 2013. The EBITDA – understood by the Group as current operating income before amortization charges and provisions – is not itself an accounting concept. However, it is very often used by financial analysts, investors and other users of financial statements as a measure of the operating performance of a business. In TOUAX's view, users of the Group's Financial Statements would find the restated EBITDA shown below to be a better measure of this performance.

Re-stated EBITDA is EBITDA plus the capital repayments of the net investment in finance leases granted to customers, coming to €1.6 million on 31 December 2013. This makes it possible to calculate the cash flow from operations more accurately than by using the EBITDA. The practice is widespread among firms which lease out equipment.

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	Miscellaneous	**2013**
EBITDAR (gross margin)	62,839	19,402	5,559	14,818	(132)	102,487
Payments received of principal of finance lease receivables	945	12	696			1,652
Restated EBITDAR	**63,785**	**19,414**	**6,255**	**14,818**	**(132)**	**104,140**
Net distribution to investors	(48,646)	(1,560)		(1,420)		(51,626)
EBITDA restated after distribution to investors	**15,138**	**17,853**	**6,255**	**13,399**	**(132)**	**52,513**

note 18.1.3. CURRENT FINANCIAL ASSETS

RECEIVABLES AND RELATED ACCOUNTS

Receivables and related accounts - Gross value *(€ thousands)*	**2013**	2012	2011
Opening total	81,516	79,881	65,134
variation	(9,841)	(3,336)	14,621
Difference on conversion	(1,199)	(121)	253
Other changes	(2)	5,093	(127)
CLOSING TOTAL	**70,474**	**81,516**	**79,881**

Receivables and related accounts - Impairment in income statement *(€ thousands)*	**2013**	2012	2011
Opening total	(18,861)	(15,688)	(8,144)
Increases	(4,911)	(6,673)	(9,701)
Decreases	1,444	3,893	2,076
Difference on conversion	256	34	(25)
Other changes	52	(427)	106
CLOSING TOTAL	**(22,020)**	**(18,861)**	**(15,688)**

Receivables and related accounts - Net value *(€ thousands)*	**2013**	2012	2011
Opening total	62,655	64,192	56,990
CLOSING TOTAL	**48,454**	**62,655**	**64,192**

On first booking, trade receivables and related accounts are recognized at their fair value which corresponds to their nominal value. They may be written down if there is a risk the debt may not be collected in full. At December 31, 2013, outstanding receivables and related accounts came to €48.5 million on the balance sheet. This is a reasonable estimate of the fair value.

The average aging of accounts receivable is 57 days. For receivables in arrears for less than one year, an impairment writedown was posted according to the customer's payment history.

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

On December 31, 2013 the Group recognized net overdue receivables of €17.7 million, the vast majority of which is outstanding for less than three months.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents *(€ thousands)*	**2013**	2012	2011
Opening total	59,144	44,259	39,100
Variation	(3,768)	9,729	5,185
Difference on conversion	(1,470)	(528)	(152)
Other changes	(1)	5,684	125
CLOSING TOTAL	**53,895**	**59,144**	**44,259**

The cash balances shown on the Group's balance sheet on December 31, 2013 include €26.8 million in cash that is not available for the Group's daily cash management. €16.2 million of this amount corresponds to contractual restrictions on liquidity transfers linked to bank covenants, and €10.6 million corresponds to the lack of stockholder authorization for using the cash of companies that are not wholly-owned.

Fair value of financial instruments

Financial assets valued at fair value through profit or loss consist mainly of negotiable securities, which are carried at fair value.

Long-term financial assets are discounted at the rate for risk-free lending (government bonds).

The impact of financial instruments on net income is explained in note 18.2.5 below.

The financial risk management policy is indicated in note 26 of the notes to the consolidated financial statements.

Both swaps and cash and cash equivalents are valued at their fair value.

For trade receivables and related accounts, the book value is used for the fair value, as these credits are all very short term.

Other non-current financial assets and other non-current assets are valued at their amortized cost calculated using the effective interest rate. Their book values provide a reasonable estimate of the fair value.

Other Non-Current Financial Assets and other fixed assets undergo impairment tests on the basis of the estimated future income streams.

note 18.2. FINANCIAL LIABILITIES

Non-current and current financial liabilities are classified as Borrowings and Financial Debts and Borrowings and Current Bank Facilities.

note 18.2.1. ANALYSIS OF FINANCIAL LIABILITIES BY CATEGORY

	2013			2012			2011		
(€ thousands)	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Bond issue	21,580	205	21,786	22,635		22,635	1,188	40,415	41,603
Medium/long-term loans with recourse	53,032	15,490	68,522	62,918	15,227	78,144	24,792	6,337	31,129
Finance lease commitments with recourse	70,268	22,263	92,531	83,295	21,972	105,267	94,115	19,664	113,779
Revolving lines of credit with recourse	67,565	17,798	85,363	69,275	25,666	94,941	52,137	17,233	69,370
Debt without recourse	98,052	79,009	177,061	130,750	48,172	178,923	75,513	22,839	98,353
Current bank accounts with recourse		6,144	6,144		8,730	8,730		9,694	9,694
Liabilities on derivatives		2,054	2,054		3,143	3,143		123	123
TOTAL FINANCIAL LIABILITIES	**310,496**	**142,963**	**453,460**	**368,873**	**122,910**	**491,783**	**247,746**	**116,304**	**364,050**

Debts "without recourse" concern:

- Financing of assets for which the debt must be serviced from income generated by the assets (both leasing revenue and proceeds from sale) which are not guaranteed by the parent company TOUAX SCA.
- Funding granted to subsidiaries that are fully integrated although they are not wholly-owned by the Group, which are not guaranteed by the parent company TOUAX SCA.

IFRS 7.8 defines the following categories of financial instruments:

At December 31, 2013

Types of financial liability *(€ thousands)*	Consolidated financial statements	Valuation at fair value	Difference (%)	Sensitivity +1%	difference compared with fair value
Financial liabilities valued at amortized cost	451,405	449,482	-0.43%	444,643	-1.08%
Financial liabilities valued at fair value	2,054	2054	0.00%		0.00%
TOTAL	**453,460**	**451,536**	**-0.42%**	**444,643**	**-1.53%**

At December 31, 2012

Types of financial liability *(€ thousands)*	Consolidated financial statements	Valuation at fair value	Difference (%)	Sensitivity +1%	difference compared with fair value
Financial liabilities valued at amortized cost	488,640	487,946	-0.14%	482,194	-1.18%
Financial liabilities valued at fair value	3,143	3143	0.00%		0.00%
TOTAL	**491,783**	**491,088**	**-0.14%**	**482,194**	**-1.81%**

At December 31, 2011

Types of financial liability (*€ thousands*)	Consolidated financial statements	Valuation at fair value	Difference (%)	Sensitivity +1%	difference compared with fair value
Financial liabilities valued at amortized cost	363,928	367,601	1.01%	362,729	-1.33%
Financial liabilities valued at fair value	122	123	0.00%		0.00%
TOTAL	**364,050**	**367,724**	**1.01%**	**362,729**	**-1.36%**

As stated in note 1.18.3, financial liabilities are valued at cost amortized by the "effective interest rate" method.

Applying the fair value principle would value the financial liabilities at €451.5 million, using closing prices at December 31, 2013.

- The fair value of fixed-rate debt is determined for each borrowing by discounting future cash-flows. The discount rate used is the average rate of fixed-rate debt considered representative of the financing rate for the Group's risk class with no listed securities (credit derivatives or bond yields).

- The net book value of variable-rate debt (both long-term and short-term) provides a reasonable approximation of their fair value.

Derivative liabilities are assessed using the values obtained from first-rate financial institutions.

The OBSAR issued on March 8, 2007 was redeemed on March 8, 2012 for a total of €40.4 million.

note 18.2.2. BREAKDOWN BY DUE DATE OF LOANS AND PAYMENTS AT DECEMBER 31, 2013

(*€ thousands*)	2014	2015	2016	2017	2018	> 5 years	TOTAL
Bond issues	205				21,675	0	21,880
Medium/long-term loans with recourse	15,406	14,346	13,653	8,577	4,151	12,237	68,371
Finance leasing commitments with recourse	22,529	20,663	17,530	12,146	8,068	11,933	92,869
Short-term loans with recourse	8,469		67,500				75,969
Debts without recourse	78,052	55,664	12,879	5,447	12,886	11,102	176,030
TOTAL capital flow on loans	**124,662**	**90,673**	**111,562**	**26,169**	**46,780**	**35,273**	**435,119**
Future interest flow on loans	13,063	9,267	6,375	4,609	3,281	1,660	38,256
TOTAL FLOW ON LOANS	**137,724**	**99,941**	**117,937**	**30,779**	**50,062**	**36,933**	**473,375**

This table only shows cash flows actually contracted for, and accordingly excludes those connected with borrowing such as overdrafts and annually renewed lines of credit to which the banks have not made a firm commitment. These renewable sources of finance are shown under Current Financial Liabilities and described in note 18.2.1.

Interest payable in future on variable rate loans has been estimated on the basis of the interest rates applicable on December 31, 2013.

note 18.2.3. COMMITMENTS AND SPECIFIC CLAUSES OF THE LOANS

Some short and medium term bank loans include default clauses concerning failure to respect financial ratios (financial covenants). These clauses apply to debts coming to €315 million on December 31, 2013. They entitle banks to insist on early repayment if the terms of the covenant are not met.

The financial covenants calculated on the Group's consolidated financial statements are presented in the following table:

Borrower	Touax SCA	Touax SCA	Touax SCA	Touax Corp	Touax Leasing Corp/Touax Hydrovia Corp	Touax Container Services
Type of facility	club deal	club deal	bond issue	bilateral	bilateral	bilateral
Period and issue mode	5 year revolving credit in multiple currencies	5 year long-term credit	6 year bullet repayment	2 years revolving credit in USD	7 year long-term amortizable debt	2 years revolving credit in multiple currencies
Maximum amount	€67.5m	€43m	€15m	$10m	$22.3m	€10m
Outstanding liabilities 12/31/13	€67.5m	€30.1m	€15m	$10m	$21m	€0m
FINANCIAL RATIOS REQUIRED						
Scope of calculation	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts	TOUAX SCA consolidated accounts
Leverage with recourse (net financial debt with recourse / EBITDA)	less than 4.60 at 31/12/13, 4.25 up to 30/06/14, then less than 4	less than 4.60 at 31/12/13, 4.25 up to 30/06/14, then less than 4	below 4.5			less than 4.75 at 31/12/13, then less than 4.25
Gearing (net debt with recourse / stockholders' equity)	below 1.9	below 1.9	below 1.9	below 1.9	below 1.9	below 1.9
Interest Coverage (EBITDA after distribution / Net financial expenses)				average of last 2 half-years above 2		
EBIT after distribution / net financial expenses					greater than 1.1 in 2014, then greater than 1.5 thereafter	
Calculation frequency	semi-annual	semi-annual	semi-annual	semi-annual	semi-annual	semi-annual
Loan maturity date	14/04/2016	08/03/2017	14/12/2018	31/08/2014	31/12/2019	31/01/2015
OTHER CONDITIONS/CLAUSES						
Security	no	no	no	no	package of guarantees	no
Cross-default clauses	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than €5 million within the scope of calculation, excluding non recourse debt	default on a debt greater than $5 million within the scope of calculation	default on a debt greater than €5 million within the scope of calculation	default on a debt greater than €10 million within the scope of calculation

Financing of assets and acquisitions borne by dedicated companies also include financial covenants that may result in compulsory prepayment of the loans concerned.

The financial covenants calculated on the Group's consolidated financial statements were respected on 31 December 2013.

	2013
Gearing with recourse (net debt with recourse / shareholders' equity)	1.21
Total gearing (net debt / shareholders' equity)	2.17
Leverage with recourse (net debt with recourse/ rolling EBITDA after distribution to investors)	4.24
Total leverage (net debt / rolling EBITDA after distribution to investors)	7.61

The Group's level of gearing is consistent with its capital-intensive leasing business. The level of leverage of the Group reflects the currently low utilization rates for the Modular Buildings and the Freight Railcar businesses in particular.

Clauses requiring the Group to be controlled by the WALEWSKI family were also included.

Note that as the TOUAX Group has no official financial credit rating, in the financing agreements there is no advanced repayment clause which could be triggered by a lower credit rating.

note 18.2.4. ANALYSIS OF THE DEBT

Consolidated net financial debt is as follows:

(€ thousands)	**2013**	2012	2011
Financial liabilities	453,589	491,783	364,050
Derivative instruments asset	129		1,029
Marketable securities & other investments	22,565	37,070	31,448
Cash assets	31,330	22,073	12,811
CONSOLIDATED NET FINANCIAL INDEBTEDNESS	**399,565**	**432,639**	**318,762**
Non-recourse debt	177,061	178,923	98,353
FINANCIAL INDEBTEDNESS EXCLUDING NON-RECOURSE DEBT	**222,504**	**253,716**	**220,409**

Financial liabilities broken down by currency

(€ thousands)	**2013**	2012	2011
Euro (EUR)	356,979	407,266	311,038
US dollar (USD)	69,431	55,173	34,916
Polish zloty (PLN)	13,938	13,437	15,398
Others	13,112	15,907	3,698
TOTAL	**453,460**	**491,783**	**365,049**

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

(€ thousands)	**2013**	2012	2011
Fixed rate	275,644	309,034	171,450
Floating rate	177,815	182,748	192,600
TOTAL	**453,460**	**491,783**	**364,050**

Average rate of gross debt by currency

	2013	2012	2011
Average debt rate in Euro (EUR)	3.66%	3.42%	3.53%
Average debt rate in US Dollar (USD)	4.08%	4.26%	4.00%
Average debt rate in Polish Zloty (PLN)	5.98%	6.73%	7.02%
Average debt rate in other currencies	5.32%	5.21%	3.92%
AVERAGE AVERALL NET DEBT RATE	**3.85%**	**3.66%**	**3.73%**

note 18.2.5. EFFECT OF FINANCIAL INSTRUMENTS ON NET INCOME

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2013
Interest income						
Interest expense		552		(20,455)	22	(19,881)
Impact on income		**552**		**(20,455)**	**22**	**(19,881)**
Exchange gain or loss						(555)
Impact of discounting						(26)
Interest on cash						207
Miscellaneous						(45)
FINANCIAL RESULT						**(20,300)**

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2012
Interest income						
Interest expense	196		(17,917)	(19)		(17,740)
Impact on income	**196**		**(17,917)**	**(19)**		**(17,740)**
Exchange gain or loss						14
Impact of discounting						71
Interest on cash						101
Miscellaneous						**(13)**
FINANCIAL RESULT						**(17,567)**

(€ thousands)	Available-for-sale securities	Loans and receivables	Instruments valued at amortized cost	Foreign exchange derivative	Interest rate derivative	2011
Interest income		593				593
Dividends received			(14,868)	3	26	(14,839)
Interest expense		**593**	**(14,868)**	**3**	**26**	**(14,247)**
Impact on income						(274)
Exchange gain or loss						(52)
Impact of discounting						52
Interest on cash						**86**
Financial reversal						**(14,434)**

note 18.2.6. TRADE PAYABLES

(€ thousands)	**2013**	2012	2011
Shipping Containers	23,307	13,543	2,539
Modular Buildings	16,794	19,295	17,146
River Barges	1,860	1,145	2,345
Freight Railcars	3,046	4,152	7,075
Miscellaneous	1,332	1,000	754
TOTAL	**46,339**	**39,135**	**29,860**

All Trade Payables are due within one year.

NOTE 19. INVENTORIES AND WORK IN PROGRESS

Inventories and WIP include equipment to be sold as well as spare parts. The equipment is mainly intended to be sold to investors under asset management programs.

	2013			2012	2011
(€ thousands)	**Gross value**	**Prov.**	**Net val.**	Net val.	Net val.
Equipment	50,744	(272)	50,472	59,821	56,783
Spare parts	11,272	(653)	10,619	11,045	12,563
TOTAL	**62,016**	**(924)**	**61,091**	**70,866**	**69,347**

- The inventory of shipping containers corresponds to about 34,428 TEU worth a total of €47.3 million.
- The inventory of railcars has been entirely reclassified in fixed assets.
- The modular buildings show a goods or work in progress inventory account of €3 million and a spare parts account of €2.2 million.

NOTE 20. OTHER CURRENT ASSETS

(€ thousands)	2013	2012	2011
Sale of fixed assets	4	56	35
Prepaid expenses	4,259	4,412	4,052
Taxes and duties	8,861	10,847	7,157
Others	5,168	4,386	6,946
TOTAL	**18,292**	**19,702**	**18,190**

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

At December 31, 2013, "others" is made up of the current (less than 1 year) component of financial receivables from finance leases (i.e. €2.2 million on December 31, 2013, see notes to the consolidated financial statements note 1.18.2).

Other current assets are all recoverable within one year.

NOTE 21. SHAREHOLDERS' EQUITY

Details of stockholders' equity are given in the schedule of changes in stockholders' equity.

It may be noted here that:

- TOUAX paid a dividend in January 2013 of €2.9 million.
- During the course of 2013, no redeemable warrants were exercised by a stockholder and TOUAX purchased 116,382 redeemable warrants from a stockholder.
- During the course of 2013, 143,506 new shares were issued as part of the increase in capital with the incorporation of an amount drawn from the issue premium in a proportion of 1 new share for 40 old shares.

Management of capital

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

The Group manages its borrowing structure by optimizing its debt/equity ratio in the light of changes in economic conditions, its own objectives, and management of its risks. It assesses its working capital requirements and its expected return on investment, in order to control its financing requirements. Depending on the growth of its market and expectations of managed assets' profitability, the Group decides whether to issue new equity or to sell assets to reduce its debt.

The Group uses its gearing ratio as an indicator for managing its debt/equity ratio. Indebtedness (with and without recourse) divided by stockholders' equity.

The debt/equity ratios are as follows:

(€ millions)	2013	2012	2011
Net debt with recourse	222.5	253.7	220.4
Net debt without recourse	177.1	178.9	98.3
Equity	184.4	173.0	146.3
Debt ratio (excluding non-recourse debt)	1.21	1.47	1.50
Debt ratio of non-recourse debt	0.96	1.03	0.67
DEBT RATIO	**2.17**	**2.50**	**2.17**

NOTE 22. PROVISIONS

Provisions for continencies

(€ millions)	2012	Provision	Reversal used	Unused reversal	Exchange gain	2013
Shipping Containers	4					4
Modular Buildings		1,454	(161)		(13)	1,282
River Barges	200		(200)			
Freight Railcars						
Unallocated	362	78	(231)			209
TOTAL	**566**	**1,532**	**(592)**		**(13)**	**1,495**

Restructuring provision

(€ millions)	2012	Provision	Reversal	Reclassification	Exchange gain	2013
Modular Buildings		703				703
TOTAL		**703**				**703**
TOTAL PROVISION LIABILITIES	**566**	**2,236**	**(592)**		**(13)**	**2,199**

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

The provision for restructuring is for the costs of the corporate restructuring plan resulting from the shutting down of the modular buildings production at Mignières (France).

NOTE 23. PENSION AND SIMILAR LIABILITIES

Changes in superannuation commitments can arise from:

- of personnel movements (arrivals of new personnel and departures),
- acquisition of entitlement by staff members during their employment within the business,
- changes in pay, and other actuarial assumptions.

(€ thousands)	2012	Provision	Reversal	Change in perimeter	Exchange gain	**2013**
Shipping Containers	24	20	(28)			**16**
Modular Buildings	131	19	(2)			**147**
River Barges	5	11	(5)			**11**
Corporate	198	215	(198)			**215**
TOTAL	**359**	**265**	**(233)**			**389**

The following assumptions were made to assess superannuation commitments:

- Employees' predicted length of service, calculated using probability coefficients for the various age groups,
- A discount rate of 3.102%,
- Pay rising at 0.6%,
- Retirement at age 65.

NOTE 24. OTHER LONG-TERM LIABILITIES

(€ thousands)	**2013**	2012	2011
Modular Buildings	3,009	1,102	1,113
TOTAL	**3,009**	**1,102**	**1,113**

In 2009, the Modular Building division set up a new type of sales agreement with a repurchase commitment. This agreement involves recognizing the Group's repurchase commitment as well as the deferred income relating to the lease of modular buildings. Both these items are included in Other long-term liabilities.

NOTE 25. OTHER CURRENT LIABILITIES

(€ thousands)	**2013**	2012	2011
Capital creditors	504	12,259	4,563
Tax and social security liabilities	17,752	19,017	18,198
Accounts payable	20,817	21,445	23,576
Deferred revenue	6,909	6,885	8,790
Other current liabilities	2,269	4,913	2,914
TOTAL	**48,250**	**64,518**	**58,042**

Capital creditors are made up of the purchase of barges for a total of €5 million, the vendor loan and additional price linked to the acquisition of the Moroccan companies for a total of €4.2 million, and the option to buy the minority interests of SACMI for a total of €2.1 million. These debts were paid off in 2013.

The trade debt includes mainly the income due to investors in the Shipping Container, Freight Railcar and Modular Building businesses (€18.2 million at December 31, 2013 compared with €19.5 million at December 31, 2012).

The other current liabilities mainly include the amounts to be paid to investors.

NOTE 26. RISK MANAGEMENT

note 26.1. MARKET RISK

Financial and market risks include currency risk, interest-rate risk, equity risk, and counterparty risk.

Interest rate risk and exchange rate risk are managed centrally within the Treasury and Finance Department which provides monthly reports to the Executive Committee.

Interest rate risk and exchange rate risk are monitored through monthly reporting by subsidiaries to the Treasury and Finance Department; these reports include borrowings from outside establishments as well as loans agreed between Group subsidiaries. The information is checked, analyzed, consolidated and forwarded to the Executive Committee. The Treasury and Finance Department makes recommendations on the management of interest rate and exchange rate risks, and decisions are made by the Group Executive Committee. Standard office IT tools enable the Group's to adequately monitor these risks.

note 26.2. CREDIT RISK

Credit risk is described in note 18.1.3, page 73.

note 26.3. LIQUIDITY RISK AND COUNTERPARTY RISK

- **Liquidity risk**

It is managed by the Group's Treasury and Finance Department which reports to the Group's Administrative and Finance Department. Overall cash flow management at the Group level allows to compensate for surplus cash and cash requirements in order to limit the use of financial borrowing.

Liquidity risk management is assessed via the Group's requirements defined in the three-year plan, the annual cash flow budget, as well as via monthly and weekly forecasts. All reports are sent to the Group's Executive Committee.

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Liquidity risk management is assessed via the Group's requirements defined in the three-year plan, the annual cash flow budget, as well as via monthly and weekly forecasts. All reports are sent to the Group's Executive Committee.

The objective for cash flow management is to meet the Group's deadlines while maintaining the leeway decided by the Group's Executive Committee and optimizing the financial costs of the debt.

For that purpose, the Group has credit lines approved by its banking partners, comprising revolving bank loans for pre-financing its assets, credit lines for asset finance leases, and bond issues in order to optimize matching of debt servicing with the income generated by assets.

All of the loans are negotiated or approved by the Treasury and Finance Department in order to control the Group's legal and financial commitments both on and off the balance sheet.

Some loans include clauses with drawdown conditions (asset eligibility) and others include financial commitments (ratios) that the Group must abide by, as indicated in note 18.2.3.

In the short term, the Group's main liquidity risks concern the non-renewal of revolving credit lines and the refinancing of the non-recourse revolving credit lines for prefinancing railcars (maturing in May 2014) and containers (maturing in June 2014). The theoretical maturity dates in 2014 are presented below:

(€ millions)	
Repayment of medium/long-term credit	38.9
Repayment of confirmed short-term credit with recourse	10.5
Repayment of debts without recourse	79.0
Repayment of annual revolving credit	15.4
TOTAL	**143.9**
Estimated financial charges	15.9
TOTAL	**159.8**

At the end of December 2013, the Group's balance sheet showed €54 million in cash and cash equivalents, over €45 million in available lines of credit to meet its cash requirements, and €71 million of assets in inventory intended for sale to investors.

The Group believes there is little risk of non-renewal of its short-term credit lines reaching maturity, and notes that the use of these revolving lines of credit depends on asset pre-financing needs, and therefore on the Group's investments or on temporarily including assets on its balance sheet.

A liquidity risk may arise if the Group cannot use the renewable credit facilities for financing assets due to its inability to meet the eligibility criteria that are conditions for using the credit lines.

In the longer term, the liquidity risk resides in inappropriate matching of income generated by its leased assets with loan maturities.

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

(€ millions)	TOTAL	2014	2015	2016	2017	2018	+5 years
Debts with recourse	274.3	61.9	35.1	98.6	20.7	33.9	24.2
Debts without recourse	177.1	79.0	55.6	13.0	5.4	12.9	11.1
TOTAL	451.4	140.9	90.7	111.6	26.2	46.8	35.3

In general the Group's liquidity risk is limited, thanks to its ability to sell or refinance its assets: The assets operated by the Group are standardized and low-tech; they keep relatively high residual values in a fairly liquid market.

Counterparty risk for the Group

It consists of the following 3 main risks:

- cancellation of approved credit lines following the default of a lender,
- counterparty default in the unwinding of an over-the-counter derivative,
- non-repayment of cash surpluses invested in spot or futures markets with a financial institution or as part of an investment.

The Group prefers financial relations with first-rate banks, i.e. institutions with excellent credit ratings from international credit rating agencies, for both renewable credit facilities and over-the-counter trading of hedging derivatives.

The Group only invests its surpluses in non-dynamic monetary investment products with first-rate banks in spot or futures markets.

Thus the Group believes it has little exposure to counterparty risk and does not use any derivatives to manage that risk.

note 26.4. INTEREST-RATE RISK

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

In order to limit the negative impact of a rise in short-term rates, the Group's policy is to not speculate in interest rates. It uses plain vanilla derivatives, and negotiates new fixed-rate or variable rate loans according to its decision to modify the fixed rate-variable rate share of its debt.

In order to limit the use of market transactions, the Group also strives to negotiate loans allowing modification of the indexing of interest from variable to fixed rates.

In 2013, the Group did not use new interest rate derivatives. The hedging strategies implemented over the previous few years continue to cover the syndicated loan of €43 million finalized in April and a long-term loan for shipping containers for €12 million. At the end of 2013, fixed-rate debt (after hedging operations) represented 61% of total debt, compared with 63% at the end of 2012. Long term fixed-rate debt represented 94% of total long-term debt, compared with 9% at the end of 2012.

Hedging of Interest Rate Risk

The Group obtains financing at both variable and fixed rates, and uses interest rate derivatives in order to reduce its net exposure to interest rate risk. These derivatives are never held for speculation.

Those instruments are mainly interest rate swap agreements, but the Group may occasionally use interest rate options (by purchasing caps or tunnels). These instruments are traded over-the-counter with first-rate bank counterparties.

Off balance sheet financial instruments had the following characteristics at December 31, 2013:

(€ thousands)	Par value	Par value by maturity date			Valuation at 31/12/2013
		<1 year	1-5 years	> 5 years	
Interest rate swaps borrower fixed rate / lender variable rate					
EUR Euribor / fixed rate	84,183	12,395	71,788		
USD Libor / fixed rate	7,806	918	3,673	3,214	
PLN Wibor / fixed rate	2,398	1,309	1,089		
TOTAL INTEREST RATE HEDGING	**94,387**	**14,622**	**76,550**	**3,214**	**- 1,302**

All the interest rate derivatives meet the accounting criteria for hedges (hedging of cash flows) insofar as they are traded in order to perfectly reflect the maturity dates of the variable rate debts they hedge.

The impact of derivative instruments on the gross debt per currency is presented below:

(€ thousands)	Amounts at 31 December 2013		
	before hedging	Impact of derivatives	after hedging
Euro at fixed rate	138,757	84,183	222,940
Euro at floating rate	218,222	-84,183	134,039
Dollar at fixed rate	24,661	(7,806)	32,467
Dollar at floating rate	44,770	(7,806)	36,964
Zloty at fixed rate	6,268	2,398	8,666
Zloty at floating rate	7,670	(2,398)	5,271
Other currencies at fixed rate	11,571		11,571
Other currencies at floating rate	1,541		1,541
Total debt at fixed rate	181,258	94,387	275,644
Total debt at floating rate	272,202	(94,387)	177,815
TOTAL DEBT	**453,460**		**453,460**

Sensitivity to changes in interest rates

A 100 basis point increase in short-term rates would have a direct impact on the Group's financial expenses of almost €1.4 million at December 31, 2013, i.e. around 9% of theoretical finance expenses.

This theoretical calculation, which takes into account cash and cash equivalents as well as derivatives, is based on the assumption that net debt remains stable and that fixed-rate debts reaching maturity are replaced by variable-rate debts.

note 26.5. CURRENCY RISK

Due to its international presence, the TOUAX Group is exposed to currency rate fluctuations, and some years almost 50% of the Group's revenue is in US dollars, and a significant share of its revenues is generated in Czech crowns and Polish zloty.

Nevertheless, the Group believes it has relatively little exposure to operational currency risk as income and expenses are usually generated in the same currency, and the Group finances its assets in the same currency as its revenues.

However, the Group may need to set up hedges for its budget or for orders when operational currency risks are identified. In this case, the hedging instruments used are forward sales or purchases, or plain vanilla options.

The Group's main identified operational currency risks are related to:

- the structure of overheads for the Shipping Container business, which are mostly in euros while revenues are in US dollars;

- the production of modular buildings, where the Czech crown is the main currency but sales are in euros

There was no hedging of operational foreign exchange risk at December 31, 2013.

The Group's objective is to minimize financial currency risks, i.e. risks related to financial assets in foreign currency whose fluctuations would affect net financial income. Balance sheet positions in foreign currency are tracked monthly and reported to the Executive Committee. On December 31, 2013, those positions were not significant.

Due to its presence in various countries, the Group is subject to currency risks related to its investments in foreign subsidiaries. This risk arises in the changes in the Group's equity (net investment rule) and in the conversion of the subsidiary's results into euros for the parent company.

The Group does not hedge the currency risk concerning its equity. However, on several occasions in the past it has hedged the risk of converting the foreign currency results of some of its subsidiaries into euros by purchasing options from first-rate counterparties, using the entities' budgeted results as a reference. On December 31, 2013 the Group did not have any hedging positions for its foreign currency profit or loss in the 2014 budget.

As part of its overall cash flow management, the Group is led to change surpluses of a currency into euros, in order to minimize financial expenses and resorting to bank debt. As part of this multicurrency cash management, the Group regularly sets up forward contracts making it possible to offset variations in the value of intercompany borrowings. These forward contracts are made with first-rate bank counterparties.

Hedging of Currency Risk

The Group therefore sets up forward exchange transactions on a regular basis in order to hedge its exposure linked to managing its cash in foreign currencies (USD, CZK and PLN).

The following table shows the foreign currency forward exchange transactions portfolio at December 31, 2013:

(€ thousands)	Par value	Maximum due date
USD forward purchase portfolio	52,266	04/03/2014
PLN forward purchase portfolio	241	18/02/2014
CZK forward purchase portfolio	2,074	30/01/2014
TOTAL OF FORWARD PURCHASE PORTFOLIOS	**54,582**	
USD forward purchase portfolio	16,756	31/01/2014
PLN forward purchase portfolio	843	18/02/2014
CZK forward purchase portfolio	1,868	05/02/2014
TOTAL OF FORWARD SALE PORTFOLIOS	**19,467**	

- **Fair value hedge**

(€ thousands)	**2013**
Variation in fair value of the hedging instrument	181
Variation in fair value of the hedged item	(197)
NET IMPACT ON EARNINGS OF FAIR VALUE HEDGES	(16)

The net impact on earnings of a fair value hedge represents the ineffective component of the hedge.

Impact of the exchange rate on the operating income before tax and extraordinary items and on stockholders' equity

The Group's exposure to fluctuations in exchange rates is mainly concentrated on shifts in the US dollar, the Czech crown and the Polish zloty; other foreign currencies are insignificant. The parity used to convert foreign currency accounts of subsidiaries into euros has the following impact on the Group's income and share of stockholders' equity in case of a 10 % fall in value:

	Impact on operating income after distribution to investors	Impact on shareholders' equity (Group's share)
Fall of 10% in the US dollar	-11.10%	-4.00%
Fall of 10% in the Czech crown	-0.68%	-0.46%
Fall of 10% in the Polish zloty	0.65%	-0.40%

The Modular Building division works mainly in euros, in Czech crowns and in Polish zloty. The River Barge and Freight Railcar divisions are mainly denominated in euros within Europe, and in USD in the USA and South America. The business of leasing and selling shipping containers is international, and mainly conducted in USD, the remainder being billed in some 25 international currencies – since the containers may be returned in about 25 different countries.

For long-term assets and liabilities the Group's policy is to correlate fixed assets denominated in foreign currency with borrowings denominated in the same currency, to avoid exposure to foreign exchange risk.

note 26.6. EQUITY RISK

Equity risk is the risk of an adverse change in the price of equity securities held by the Group.

The Group's investment strategy provides for only investing surplus liquidity in cash-based mutual funds (UCITS) for short periods. The Group has no dealings on the financial stock markets.

The main equity risk concerns the liquidity agreement it signed with an investment services provider. The amounts currently invested do not represent a significant risk for the Group.

note 26.7. RAW MATERIAL PRICES RISK

This risk is explained in section 4.4.6 of this document.

note 26.8. TAX RISK

In July 2012 TOUAX SCA and TOUAX Solutions Modulaires received proposed adjustments reclassifying service contracts as joint ventures. The Group considers that the position of the tax authorities is unfounded on the basis of an analysis of the contract and a ruling in a similar case which the authorities lost. The Group is currently defending itself by appealing to a higher authority. A tax collection procedure was received and the bank guarantees were issued by the Group. The latest communications with the tax authorities have been positive for the Group.

In addition, Touax SCA and its French subsidiaries were visited by the French tax authorities which carried out a seizure in July 2012, then TOUAX SCA received notice of a tax audit on December 27, 2012. After verification, the tax authorities backed the Group's position, notifying it in February 2014, that there would be no tax adjustment.

NOTE 27. RELATED PARTIES AS DEFINED IN IAS 24

The definition used for related parties is that given in IAS 24.9. Related parties are the key management personnel of TOUAX SCA, i.e. those who have authority and responsibility for planning, managing, and controlling the Group's activities. The officers who fit this description are Fabrice and Raphaël WALEWSKI, the Managing Partners of TOUAX SCA, as well as Société Holding de Gestion et de Participation (SHGP) and Société Holding de Gestion et de Location (SHGL), General Partners. Members of the Supervisory Board, in view of their control function, are also regarded as related parties.

The amount paid to the General Partners in 2013 for their 2012 compensation in accordance with the articles of association was €892,000.

A related party has a significant influence if it is able to take part in financial and operational policy decisions, without however exerting control over these policies. This influence is deemed to be significant if a physical person, legal entity or group of persons holds over 20% of the voting rights: Alexandre, Fabrice and Raphaël WALEWSKI acting together hold directly and indirectly over 20% of the shares.

The Group has not concluded any significant transactions with related parties.

Compensation of the key management personnel does not include any of the five criteria of IAS 24.16: short-term benefits, post-employment benefits, other long-term benefits, termination benefits or share-based payments. The officers receive none of these benefits. (see details in chapter 15 page 37).

A transaction was indirectly concluded between TOUAX SCA and its Managing Partners, through a real estate investment trust, relating to the leasing of its premises in the Tour Franklin for a total of €1,291,000 per year.

At the end of 2013, equipment, with a gross value of €500,000 belonging to a General Partner, was managed by the Group. These investments generated total income of approximately €28,000. The General Partner received no preferential treatment in these dealings, since this equipment is managed under the same terms as equipment managed on behalf of third parties. In addition, management of this equipment is governed by a Code of Practice approved by the Supervisory Board.

The total compensation of the corporate officers came to €867.2 in 2013.

The pension and supplementary pension commitments for members of the Executive Committee are immaterial (statutory retirement benefits). TOUAX SCA has no stock option schemes.

The compensation of members of the Supervisory Board is listed in section 15 page 37. It amounted to €63,000.

Relations between the parent company and its subsidiaries are explained in section 7.2 page 32 of this reference document and in note 26.6 page 83 of the notes to the company financial statements.

NOTE 28. OFF-BALANCE SHEET COMMITMENTS

The financial statements do not omit any off-balance sheet commitments that are material according to current accounting standards.

note 28.1. NON-CAPITALIZED OPERATING LEASES

(€ thousands)	TOTAL	< 1 yr	1 - 5 yrs	> 5 yrs
Operating leases with recourse	23,938	5,980	14,955	3,003
Operating leases without recourse against the Group	45,507	12,977	32,530	
Of which, shipping containers	44,782	12,639	32,143	
Of which, freight railcars	726	339	387	
TOTAL	**69,445**	**18,957**	**47,485**	**3,003**

Without recourse against the Group : the Group's obligation to pay lease payments to the banks is suspended if the customers (sub¬lessees) default on their own contractual payment obligations.

note 28.2. OTHER COMMITMENTS MADE

Bank guarantees issued on the Group's behalf at December 31, 2013

(€ thousands)	Amount	Maturity
Bank guarantee	**7,250**	
Modular buildings	6,650	2018
River barges	490	2014
Freight railcars	110	2014

Firm orders for equipment

Firm orders and investments at December 31, 2013 came to €23.6 million, including €450,000 for freight railcars, €3.1 million for modular buildings, €450,000 for river barges and €19.58 million for shipping containers.

note 28.3. OTHER UNDERTAKINGS RECEIVED

Fixed-term operating leases

The minimum future payments to be received under operating leases came to €239 million.

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	**2013**
0-6 months	26,992	6,825	3,609	10,815	48,241
6 months - 1 year	22,140	5,016	3,189	8,353	38,698
Between 1 and 5 years	104,607	6,508	17,831	9,322	138,269
More than 5 years	4,734	141	8,499		13,374
TOTAL MINIMUM OPERATIONAL RENTS	**158,473**	**18,491**	**33,128**	**28,490**	**238,582**

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	2012
0-6 months	26,903	9,728	2,956	11,929	51,516
6 months - 1 year	21,467	5,230	2,722	9,419	38,837
Between 1 and 5 years	102,745	6,970	17,414	14,377	141,505
More than 5 years	18,859	2	13,071		31,933
TOTAL MINIMUM OPERATIONAL RENTS	**169,974**	**21,929**	**36,162**	**35,725**	**263,791**

(€ thousands)	Shipping Containers	Modular Buildings	River Barges	Freight Railcars	2011
0-6 months	25,828	9,470	1,940	12,014	49,252
6 months - 1 year	19,987	7,254	1,639	9,164	38,042
Between 1 and 5 years	71,054	12,387	6,068	12,619	102,128
More than 5 years	7,644	11	2,665		10,320
TOTAL MINIMUM OPERATIONAL RENTS	**124,514**	**29,122**	**12,311**	**33,796**	**199,742**

Deconsolidated Finance Leases

The Group classifies finance leases as “deconsolidated” when the credit involved in the finance lease has been sold on to a financial institution or an investor, and the conditions for deconsolidating a financial asset defined in IAS 39 § 18b, §19 and §20 are met. There can be no recourse against the Group for such contracts.

Lease payments received are recognized under Leasing Revenues.

Lease payments still to be received under these contracts are as follows:

(€ thousands)	Rents for receipt on 31/12/2013	1 year	1 to 5 years	5 years+
Shipping containers	46,484	12,795	33,594	96
Freight railcars	831	390	442	
TOTAL	**47,315**	**13,185**	**34,035**	**96**

(€ thousands)	Rents for receipt on 31/12/2012	1 year	1 to 5 years	5 years+
Shipping containers	61,647	14,137	44,870	2,639
Freight railcars	3,605	2,736	869	
TOTAL	**65,252**	**16,873**	**45,739**	**2,639**

(€ thousands)	Rents for receipt on 31/12/2011	1 year	1 to 5 years	5 years+
Shipping containers	76,930	14,506	53,374	9,050
Freight railcars	6,952	3,320	3,632	
TOTAL	**83,882**	**17,826**	**57,006**	**9,050**

note 28.4. SECURED DEBT PROVIDED

To guarantee the loans granted to finance the Group's proprietary assets (apart from leasing agreements), the Group's subsidiaries have granted the following security interests:

			December 31, 2013		
(€ thousands)	Commencement	Maturity	Asset pledged (gross value)	Balance Sheet item gross value	%
Mortgages (river barges)					
	2005	2016	1,668		
	2012	2020	4,133		
	2012	2019	8,092		
	2013	2020	8,092		
TOTAL			**21,985**	**74,616**	**29.5%**
Tangible assets pledged					
Modular buildings				324,440	
	2009	2014	5,020		
	2005	2016	4,772		
	2011	2016	2,735		
	2010	2017	3,000		
	2011	2020	7,246		
	2012	2020	3,753		
Shipping containers				76,182	
	2012	2015	39,220		
	2008	2016	3,626		
	2012	2019	13,995		
Freight railcars				253,078	
	2010	2014	64,178		
	2006	2016	14,530		
	2008	2018	34,269		
	2011	2021	16,343		
	2012	2015	91,848		
TOTAL			**304,534**	**653,700**	**46.6%**

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings. There are no other special conditions to be disclosed.

note 28.5. SECURITY AND GUARANTEES

The security and guarantees are issued by the parent company in return for bank loans granted to its subsidiaries.

(€ thousands)	< 1 year	1 - 5 years	> 5 years	TOTAL
Guarantees given to banks in return for loans used by subsidiaries	49,376	152,400	87,354	289,130

Outstanding loans in respect of these commitments granted to subsidiaries came to €156.4 million at December 31, 2013.

The securities and guarantees granted by TOUAX SCA are listed in section 7.2 page 32.

note 28.6. ADDITIONAL INFORMATION ON CAPITALIZED FINANCE LEASES

(€ thousands)	2013
ORIGINAL VALUE	200,265
Amortization for the period	8,893
CUMULATIVE AMORTIZATION	44,505
NET BOOK VALUE	**155,760**

(€ thousands)	Leasing equipment	Interest	Present value of future payments	Residual value
2014	26,372	3,974	22,399	137
2015	23,651	2,888	20,764	122
2016	19,583	1,919	17,663	580
2017	13,481	1,202	12,279	116
2018	8,780	712	8,068	422
>5 years	12,413	480	11,933	155
TOTAL	**104,280**	**11,174**	**93,106**	**1,532**
AMOUNT CHARGED TO INCOME STATEMENT (amortization & financial charges)	27,585			

NOTE 29. OTHER INFORMATION

note 29.1. FURTHER DETAILS REGARDING THE MODUL FINANCE I

In December 1997 and during the 1998 fiscal year, the TOUAX Group carried out an asset-backed securitization operation by selling 7869 modular buildings worth €42 million to Modul Finance I, an Economic Interest Grouping (EIG) registered in France. Investors belonging to the EIG initially held a 90% interest and the Group held the remaining 10%.

Under an operational management contract, Modul Finance I commissioned the Group to manage, lease out and, more generally, operate the modular buildings. As an agent, the Group receives lease payments from its customers, pays operating expenses directly to suppliers, and arranges within ninety days of the end of each quarter to pay the net distributable leasing income to Modul Finance I.

Since the Group had no control over the Modul Finance I as defined in the interpretation SIC 12: Consolidation – Special Purpose Entities, and law no. 2003-706 of August 1, 2003 on financial security, it was not included in the scope of consolidation until December 31, 2010.

On 14 January 2011, the TOUAX Group indirectly acquired a majority stake in the senior debt of the Modul Finance I, represented by A units of the Moduloc private-debt fund. Holders of A units in the private-debt fund sold their units to a company incorporated in Luxembourg, HPMF, which financed this acquisition by issuing bonds. The TOUAX Group applied for 85% of the bonds issued, for a total of €7,048,000.

At the same time, TOUAX sold its stake in Modul Finance I.

Since the TOUAX Group bears most of the risks and receives most of the benefits of using Modul Finance I's assets, Modul Finance I has been included in the scope of consolidation since 2011. However, the Modul Finance I's profit and loss is fully recognized as a minority stockholding, since the TOUAX Group does not have any stake in this entity.

note 29.2. FURTHER DETAILS REGARDING THE TLR 2001 TRUST

On October 27, 1999, the Group conducted an asset backed securitization operation for shipping containers, in the form of a trust registered in Delaware (USA), by the name of TOUAX Lease Receivables Master Trust 2000-1 referred to below as Trust 2000. During a preliminary period known as the “warehouse period” from October 27, 1999 to December 31, 2001, the Trust 2000 was financed entirely by a European bank which applied for the notes and certificates issued to finance the purchase of shipping containers for a total value of $46.5 million

Trust 2000 was permanently wound up in December 2001 by the refinancing of the commitments of the bank which had applied for the initial notes and certificates. This refinancing required the setting up of a replacement trust, Trust 2001 (TLR Master Trust 2001) which bought Trust 2000's assets. In February 2002, all outstanding credits and debts between these Trusts and the Group were settled.

On January 27, 2012 the Group decided to buy back Trust 2001's assets at the market price.

Gold Container’s leasing of the Trust’s containers had the following impact on the Group’s accounts:

RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	2011
Leasing revenues from equipment belonging to Trust 01	1,815
Revenues from equipment sold belonging to Trust 01	219
Recognized in Consolidated Revenues	**2,034**
Operational expenditure for equipment belonging to the Trust (1)	(276)
Recognized in Consolidated Purchases and Other External Expenses	
Distributions to the Trust(2) in respect of leasing income	(1,375)
Distributions to the Trust (2) in respect of equipment sold belonging to Trust 2001	(186)
Recognized in Consolidated Leasing Income Due to Investors	**(1,561)**
Total management commission due to the group (3)	198

(1) Operational expenditure corresponds to storage and maintenance costs, payment of the network of agents, and all operating expenses in general which are contractually deducted from the net income distributable to the Trust.

(2) Distributions to the Trust refer to the net revenues from operating the containers after deducting Gold Container Corp’s management fee, which came to €1,561,000 at December 31, 2012.

(3) The total corresponds to the management commission received by the Group for managing the equipment belonging to Trust 2001.

The Group had no other liability towards the Trust other than the value of its assets as described below under “Recognized in the Consolidated Balance Sheet”.

RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET *(€ thousands)*	**2011**
Liquidity reserve (4)	402
Recognized in Consolidated Financial Fixed Assets	**402**
Other trade receivables (5)	4
RECOGNIZED IN CONSOLIDATED ASSETS	406
In other long-term financial liabilities	
Leasing income due to the Trust (6)	397
Revenues from total loss due to the Trust	37
Revenues from sales of Trust containers (7)	53
Recognized in Consolidated Operating Liabilities	**487**
RECOGNIZED IN CONSOLIDATED LIABILITIES	487

(4) Following the creation of Trust 2001, the security deposits provided on behalf of Trust 2000 were repaid in 2002. The security deposits provided for Trust 2001 amount to €2.1 million discounted ($3m undiscounted). This security deposit was fully written down at December 31, 2009 in view of the discounting of future cash flows. The other long-term liabilities were written down by the same amount.

This item also includes the letter of credit for a total of €402,000 ($520,000, undiscounted) which TOUAX SCA issued to Trust 2001, guaranteed by a bank deposit which is refundable on expiry of the Trust. This letter of credit was repaid at the beginning of 2013 when the Group bought the Trust's fleet

(5) The other trade receivables correspond to payments of legal expenses on behalf of the Trust.

6) The leasing income corresponds to the net income still to be paid to the Trust at the end of each half-year. The Group paid the Trust monthly down payments on the future distributions.

(7) The income from sales of containers corresponds to the proceeds from sales of the Trust's containers which the Group will have to transfer to the Trust on receipt.

20.2. FINANCIAL STATEMENTS

The consolidated financial statements are presented in section 20.1 page 43.

20.3. AUDITORSHIP

20.3.1.Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2013

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2013 on:

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

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. Justification of assessments

Pursuant to Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we hereby inform you that the assessments that we carried out related to the appropriateness of the accounting policies adopted. We wish to bring to your attention the following matter:

- Notes 1.6, 1.8, and 1.9 to the consolidated financial statements specify the valuation methods, key assumptions and assessments determined by Management concerning the main long-term assets. We have examined the process used by Management to determine the assumptions used and their implementation, as well as the disclosure provided in the notes.

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

III. Specific procedure

In accordance with professional standards applicable in France and as required by law, we also verified the information presented in the Group management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 28, 2014

The Statutory Auditors

LEGUIDE NAIM & ASSOCIES	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

20.3.2.Special report of the Statutory Auditors on the regulated agreements and commitments

Year ended December 31, 2013

To the Shareholders,

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

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.226-2 of the French Commercial Code (Code de commerce), it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to report to you the information stipulated in Article R.226-2 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

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

Agreements and commitments authorized during the year

Pursuant to Article L.226-10 of the French Commercial Code, we hereby inform you that we have been advised of the following agreements or commitments that were previously approved by your Supervisory Board.

Tax consolidation agreement

A tax consolidation agreement was concluded between TOUAX SCA and its subsidiaries TOUAX Construction Modulaire SAS, TOUAX Containers Services SAS, TOUAX River Barges SAS, TOUAX Solutions Modulaires SAS, and TOUAX Corporate SAS. The Board meeting of August 30, 2012 had previously authorized the renewal of this agreement for a term of 5 years beginning January 1, 2013.

- Each subsidiary records its income tax expense in its accounts as if it were taxed separately.
- The parent company Touax SCA records in expense or income the difference between the Group income tax liability and the total income tax expense recorded by the subsidiaries.

For fiscal year 2013, the total amounted to €154,056. Since there was no Group income tax liability under the tax consolidation agreement, tax income for this amount was recorded in the accounts of Touax SCA.

<u>Agreements and commitments already approved by the shareholders' meeting</u>

Agreements and commitments approved during previous years with continuing effect during the year

Pursuant to Article R.226-2 of the French Commercial Code, we have been advised that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, have had continuing effect during the year.

Lease agreement

Your Company entered into a commercial lease with the real estate investment company, SCI FRANKLIN, concerning the lease for its corporate headquarters as well as an archives room and eight parking spaces. The annual rent of €390, excluding taxes and charges per square meter, follows the INSEE construction index, but an increase is limited contractually to 3%. For fiscal year 2013, expenses totaled €1,291,243, and included provisions for occupancy expenses.

Paris and Neuilly-sur-Seine, March 28, 2014

The Statutory Auditors

LEGUIDE NAIM & ASSOCIES	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

20.3.3.Fees of the statutory auditors

(€ thousands)	Deloitte & Associés				Leguide, Naïm & Associés				Other networks			
	Amount		%		Amount		%		Amount		%	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
AUDIT												
Auditorship, certification, inspection of indivual and consolidated financial statements	**500**	**419**	**87%**	**97%**	**77**	**83**	**94%**	**100%**	**109**	**68**	**93%**	**99%**
- TOUAX SCA	71	43	12%	10%	43	43	52%	52%				
- Consolidated subsidiaries (1)	429	376	75%	87%	34	40	41%	48%	109	68	93%	99%
Other controls and services directly connected with the audit engagement	**73**	**15**	**13%**	**3%**	**5**		**6%**		**8**	**1**	**7%**	**1%**
- TOUAX SCA	40		7%		5				8			
- Consolidated subsidiaries	33	15	6%							1		
Subtotal	573	434	97%	94%	82	83	92%	100%	117	69	65%	72%
OTHER SERVICES PROVIDED BY AUDIT FIRMS TO FULLY CONSOLIDATED SUBSIDIARIES												
- Legal, tax & social security services	16	16	80%	62%					35	21	55%	78%
- Other services	4	10	20%	38%	7		100%		29	6	45%	22%
Subtotal	20	26	3%	6%	7		8%		64	27	35%	28%
TOTAL	**593**	**460**	**100%**	**100%**	**89**	**83**	**100%**	**100%**	**181**	**96**	**100%**	**100%**

20.4. Date of the last financial information

The last fiscal year for which the financial information has been audited ended on December 31, 2013.

20.5. Interim financial reports and other reports

Not applicable

20.6. Dividend distribution policy

The company has a policy of regular distribution of an annual dividend. The dividend varies according to the results. It has no set distribution rule such as a fixed percentage of net income or of the share price.

20.6.1.Dividend history

On January 15, 2014, the company paid an interim dividend of €0.25 per share. The Managing Partners will ask the General Meeting of June 11, 2014 to approve a dividend of €0.50 per share for the 2013 fiscal year.

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

Fiscal year *(in euro)*	Date of payment	General partners's statutory compensation	dividend per share	number of dividend-bearing shares	TOTAL of the distribution
2010	11 January 2011		0.50	5,691,522	2,845,761
2010	08 July 2011	935,798	0.50	5,697,901	3,784,749
TOTAL 2010			**1.00**		**6,630,510**
2011	10 January 2012		0.50	5,714,500	2,857,250
2011	09 July 2012	980,515	0.50	5,712,507	3,836,769
TOTAL 2011			**1.00**		**6,694,019**
2012	10 January 2013		0.50	5,712,505	2,856,253
2012	05 July 2013	892,151			892,151
TOTAL 2012			**0.50**		**3,748,403**

20.7. Legal and arbitration proceedings

No governmental, legal or arbitration proceedings (including all proceedings that the Group is aware of that are pending or with which it is threatened) have had or could have material effects on the financial situation or profitability of the Group in the last twelve months apart from the proceedings mentioned in note 26.8 page 83.

20.8. Significant changes in the financial or trading situation

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

21. Additional information

21.1. Share capital

HISTORY OF THE SHARE CAPITAL AT DECEMBER 31, 2013

Year	Share capital (€)	Issue premium (€)	Accumulated number of shares	Par value	Transactions
2009	37,463,848	190	4,682,981	€ 8	Issue of 10 shares following exercise of 36 redeemable stock warrants
	45,085,824	10,537,382	5,635,728	€ 8	Issue of 952,747 shares with withdrawal of preemptive rights and with a priority period
	45,502,608	528,173	5,687,826	€ 8	Issue of 52,098 shares following the option for payment of the dividend in shares
2010	45,507,608	12,302	5,688,451	€ 8	Issue of 625 shares following exercise of 2,444 redeemable stock warrants
	45,565,208	40,248	5,695,651	€ 8	Exercise of 7,200 stock options
2011	45,573,048	19,073	5,696,631	€ 8	Issue of 980 shares following exercise of 3,764 redeemable stock warrants
	45,765,992	294,527	5,720,749	€ 8	Exercise of 24,118 stock options
2012	45,921,832	232,123	5,740,229	€ 8	Exercise of 49,480 stock options
	45,922,136	870	5,740,267	€ 8	Issue of 38 shares following exercise of 144 redeemable stock warrants
2013	47,070,184	-143,506	5,883,773	€ 8	Issue of 143,506 shares following the capital increase by incorporation of part of the premium share

INFORMATION CONCERNING ISSUE AUTHORIZATIONS IN FORCE AT December 31, 2013

The General Meeting of Shareholders of June 11, 2013, with the unanimous agreement of the General Partners, has delegated the following issue authorizations to the Management Board:

description of the authorization	authorization date	Expiration date	Maximum amount athorized(1)	utilization during the fiscal year	Total amount unused
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital with preferential rights	Combined shareholders' meeting of 11 June 2013 (16th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2013	nil
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital without preferential rights through a public offering and with priority delay	Combined shareholders' meeting of 11 June 2013 (17th resolution)	11 August 2015	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2013	nil

(1) The ceiling of €20,000,000 is the maximum amount authorized for all capital increases par value.

These authorizations cancel any previous delegations for the same purpose.

All financial instruments giving access to capital resulting in dilution are presented in chapter 17 page 38 of this document.

21.1.1.Subscribed capital

The share capital is fully subscribed and paid-up.

21.1.2.Securities not representing capital

There are no securities not representing capital.

21.1.3.Composition of the capital

On December 31, 2013 the capital was made up of 5,883,773 fully paid-up stock with a par value of €8, representing 6,365,121 voting rights. The breakdown of TOUAX SCA's capital and voting rights is detailed in section 18.1 page 40.

21.1.4.Potential capital

The equity warrants granted by TOUAX SCA are detailed in section 17.2 page 39 as well as in the notes to the consolidated financial statements section 20.1 page 43, note 21.

21.1.5.Unpaid capital

Not applicable

21.1.6.Conditional or unconditional agreements

Not applicable

21.1.7.Capital history

Cf. paragraph 21.1 page 91.

21.2. SHARE PRICE DATA

21.2.1.Share price history

On May 7, 1906 TOUAX shares were listed on the Paris Stock Exchange on the spot market. It was transferred to the Second Market on June 14, 1999. TOUAX was listed in Paris on NYSE Euronext in compartment C on January 26, 2012, after being listed in compartment B throughout 2011. TOUAX has been included on the CAC® Small and CAC® Mid & Small indexes since 2011 and on the SRD Long-Only since 2012.

21.2.2.The TOUAX share price

At the end of 2013, TOUAX stock was worth €18.94, down 12.76% compared with the price on December 31, 2012 (€21.71) and down 10.78% when restated for the increase in capital (source Euronext). The highest price of the year was €21.46 on January 2, 2013 and the lowest price was €15.71 on April 10, 2013.

At December 31, 2013, the Group's market capitalization came to €111,438,661 exactly, compared with a consolidated book equity for the Group of €157 million on the same date.

YEAR *(in €)*	**2013**	2012	2011	2010	2009
Consolidated figures					
Net dividend per share distributed during the year	0.50	1.00	1.00	1.00	1.00
Total dividend distributed during the year	2,867,516	5,713,503	5,694,712	5,683,097	4,675,703 (1)
Dividend increase	-49.81%	0.33%	0.20%	22%	20%
Total number of shares at December 31	5,883,773	5,740,267	5,720,749	5,695,651	5,687,826
Share price ratios					
Net earnings per share	-2.63	1.6	2.35	2.33	2.73
P/E ratio (2)	-7.20	13.57	9.28	12.66	8.17
Total return on the share (3)	2.64%	4.61%	4.59%	3.39%	4.48%
Share price data					
Maximum share price	21.45	26.15	32.99	29.49	24.97
Minimum share price	15.71	19.19	19.60	17.13	14.45
Share price at December 31	18.94	21.71	21.80	29.49	22.30
Market capitalization at December 31 (€m)	111.44	124.62	124.71	167.82	126.84
Average daily volume of transactions (€ thousands)	85.57	86.52	116.73	99.01	97.60
Average daily number of shares traded	4,611	3,771	4,177	4,115	5,002

(1) This sum takes into account the share of the dividend paid in shares, as decided by the General Meeting of June 10, 2009.
(2) Price/earnings ratio.
(3) The total return of the share for each year is calculated on the basis of the price at December 31.

The Management Board put forward a proposal at the General Meeting of 11 June 2014 to distribute a dividend of €0.50 per share, given that an interim dividend was distributed in January 2014.

21.2.3.Trading levels over the last eighteen months

The TOUAX share is listed on NYSE EURONEXT, ISIN code FR0000033003 – Reuters TETR. PA – Bloomberg TOUPFP equity.

(euro)	Highest price	Lowest price	Last price	Number of securities traded	Amount of capital traded (€ thousands)
October 2012	25.51	23.07	24.39	62,693	1,570.49
November 2012	24.44	18.72	20.79	147,217	3,092.31
December 2012	21.46	19.99	21.18	107,161	2,274.27
January 2013	21.46	20.97	21.11	70,496	1,532.74
February 2013	21.37	17.56	18.07	129,894	2,629.47
March 2013	18.13	16.93	17.07	182,204	3,246.75
April 2013	17.22	15.71	17.02	109,934	1,827.81
May 2013	18.72	17.02	17.81	95,791	1,739.01
June 2013	18.29	17.07	17.95	48,867	887.34
July 2013	18.17	16.60	16.70	93,946	1,640.69
August 2013	18.41	16.70	18.18	57,619	1,024.38
September 2013	19.27	17.71	19.10	64,355	1,179.29
October 2013	20.98	19.00	19.70	96,365	1,900.62
November 2013	20.12	18.08	18.10	83,027	1,600.01
December 2013	18.94	17.51	18.94	146,062	2,634.32
January 2014	21.03	18.43	19.70	117,914	2,363.42
February 2014	20.47	18.10	20.12	89,570	1,710.80
March 2014	20.64	18.95	20.10	64,833	1,285.45

21.2.4. Strict conditions for altering shareholders' rights

Not applicable

21.2.5. Conditions governing General Meetings

Cf. paragraph 21.3 concerning the extract dedicated to General Meetings on page 94.

21.2.6. Provisions restricting change of control

Cf. paragraph 21.3 page 94.

21.2.7. Crossing of thresholds

Cf. paragraph 21.3 concerning the extract dedicated to exceeding thresholds on page 94.

21.2.8. Strict provisions restricting changes in the share capital

Not applicable

21.3. PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACTS)

Form (Article 1)

The joint-stock company named "TOUAX SGTR-CITE-SGT-CMTE-TAF-SLM Touage Investissement réunies", was converted into a partnership limited by shares under French law, by decision of the Extraordinary General Meeting of June 30, 2005.

The partners are as follows:

- firstly, the General Partner(s) named in the present Articles of Association, who are indefinitely, jointly and severally liable for the partnership's debts, i.e.:

a) Société Holding de Gestion et de Location, a simplified joint-stock company (SAS), capital stock €7,271,010, whose registered office is located at Tour Franklin, 100-101 Terrasse Boieldieu, 92042 la Défense Cedex, FRANCE, registered on the Nanterre register of companies under reference number 484 322 342, represented by its Chairman, Mr Raphaël Colonna Walewski.

b) Société Holding de Gestion et de Participation, a simplified joint-stock company (SAS), capital stock €7,281,010, whose registered office is located at 41 rue Charles Laffitte, 92200 Neuilly sur Seine, FRANCE, registered on the Nanterre register of companies under reference number 483 911 178, represented by its Chairman, Mr Fabrice Colonna Walewski.

- and secondly, the holders of shares currently in existence or that may be created in future, having the capacity of limited partners, who are referred to in the current Articles of Association as "the stockholders" or "the limited partners", and who are only liable for the partnership's debts up to the amount of their capital contribution.

Object of the partnership (Article 2)

The object of the partnership is in particular, in all countries:

- to purchase, lease, finance, sell, operate and maintain any standardized, mobile equipment, including shipping or storage containers, modular buildings, river barges and railcars;
- to operate river push-towing, towing, haulage, transport and chartering services on all waterways,
- to design, build, fit out, repair, purchase, sell, operate directly or indirectly and lease modular and industrialized buildings, and all industrial, mobile and transportable equipment in general;
- to acquire holdings in and operate any business or enterprise of an identical, similar or related nature, whether by forming new companies, capital contributions, subscribing or purchasing shares or other rights in such enterprises, by merger, association, or in any other way;
- to acquire, obtain and sell all types of patents, patents of addition and licenses of patents and processes;
- to acquire interests of any kind in any industrial, financial or commercial corporation, any corporation dealing in real or movable property, in existence now or in the future, in France or abroad;
- to acquire, operate, build or in any way develop any kind of land or buildings,
- the option to carry out services of any kind for the Touax Group, relating to the aforementioned objectives and any similar or related objectives which may further the development of the business operations of the company and its subsidiaries;
- in general, to carry out any commercial, industrial or financial transaction involving real or movable property directly or indirectly related to the above objects which may further the development of the partnership's business.

Partner's rights over the profits (extract from Article 20)

Rights to the partnership's profits, reserves, and the liquidation surplus are allocated as follows:

- a sum shall be deducted from the profit for the fiscal year, less any losses brought forward, and allocated to the legal reserve. After this deduction, a sum shall be allocated to the General Partners equal to a share of the consolidated net earnings (Group's share) of the partnership, calculated according to the formula specified in Article 15.5 of the Articles of Association.
- the remainder of the profit after the above deductions shall either be distributed as a dividend on all shares or allocated to one or more non-interest-bearing extraordinary, general or special reserve funds, as decided by the General Meeting on the proposal of the management.

The General Meeting may also decide to distribute any amount from the reserves at its disposal, expressly indicating which reserves the withdrawals are made from.

General Partners' entitlement to profits (Article 15.5)

In view of their unlimited liability, the General Partners are entitled to compensation paid out of the partnership's net income after taxes, shared equally between them. From 2005, this compensation shall be 3% of the consolidated net income after taxes (Group's share). From 2007, the amount deducted from the partnership's earnings and allocated as compensation to the General Partners shall be increased by an amount equal to 1% of the consolidated EBITDA of the TOUAX Group, after deducting the leasing income due to investors. The EBITDA is the consolidated gross operating margin after deducting net operating provisions. This compensation shall be payable at the same time as the dividend paid to stockholders, or failing that, within sixty (60) days of the General Meeting called to approve the financial statements.

- **Members of the Supervisory Board (extract from Article 12 "Supervisory Board")**

The members of the Supervisory Board are appointed by the Ordinary General Meeting for a period of one year (Article 12.1).

Each member of the Supervisory Board must own at least 250 of the partnership's shares (Article 12.2).

- **General Meetings (extracts from article 18 "meetings of limited partner stockholders")**

The provisions applicable to meetings of limited partner stockholders shall be those provided for by the law for joint-stock companies.

General meetings shall be convened (at the registered office or such other place as indicated in the convening notice) by the Managers or the Supervisory Board or, failing these, by the auditors (Art. 18.2 "Convening of meetings – Agenda")

Unless expressly provided for by the law, all stockholders, regardless of the number of shares owned, are entitled to attend the General Meeting and to take part in its decisions in person, by proxy, or by absentee vote, regardless of the number of shares held, upon providing proof of identity and share ownership in either registered form or by depositing bearer securities at the places specified in the notice of meeting: the deadline by which these formalities must be completed is 3 days before the date of the General Meeting (Article 18.3 "Admission – holding of meetings").

- **Voting rights (extract from Article 9 "Rights attached to each share")**

Double voting rights are allocated to all fully paid-up shares which can be shown to have been registered in the name of the same stockholder for at least five years.

Double voting rights attached to shares existing prior to the conversion of the company into an SCA (partnership limited by shares under French law) shall be maintained.

In addition, in the event of a capital increase through the incorporation of reserves, profits or issue premiums, double voting rights shall be granted, from the date of issue, to registered shares allotted free of charge to stockholders on the basis of existing shares for which they have double voting rights (extract from Art. 9.4).

- **Form of shares (extract from Article 7)**

Until they have been completely paid-up, shares are required to be registered in the name of their holder at an account held by the company or a proxy designated by it. Wholly paid-up shares are registered or in bearer form, at the discretion of the stockholder, subject to legal or regulatory provisions in force; in particular, the form of shares belonging to members of the Supervisory Board and Managing Partners is specified by the law and regulations.

The shares give rise to an entry in the ledger under the terms and conditions set forth in the legal and regulatory provisions in force and are transferred directly from account to account.

- **Transfer of stock (extract from Article 8)**

Shares are transferred directly from account to account, under the terms and conditions set by law.

- **Identifiable bearer securities**

The partnership may at any time apply to Euroclear France for the identity of the holders of bearer securities.

- **Amendments to the articles of association**

The Extraordinary General Meeting of June 30, 2005 changed the company's legal form from TOUAX SA, a listed company (société anonyme), to TOUAX SCA, a partnership limited by shares under French Law (société en commandite par actions).

In 2013, article 6, "capital stock", of the articles of association was modified following an increase in capital and article 2, "object of the partnership", was modified at the General Meeting.

- **Crossing of thresholds**

Only the legal thresholds must be respected.

22. SIGNIFICANT CONTRACTS

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

There are no contracts other than those entered into in the normal course of business, concluded by a member of the Group and including provisions imposing on any member of the Group a significant obligation or commitment for the Group as a whole, at the date of registration of the document.

23. INFORMATION FROM THIRD PARTIES, DECLARATIONS OF EXPERTS AND DECLARATION OF INTERESTS

23.1. CONTACT DETAILS OF THE EXPERTS

Not applicable

23.2. CERTIFICATE OF COMPLIANCE OF THE DECLARATIONS OF EXPERTS

Not applicable

24. Documents accessible to the public

For the period of validity of the present reference document in accordance with Articles 22-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF), the Articles of Association, the auditors' reports and the financial statements for the last three fiscal years, as well as all reports, correspondence and other documents, historical financial information regarding TOUAX SCA, the Group, and its subsidiaries for the last three fiscal years, valuations and declarations drawn up by experts, when these documents are provided for by the law, and all other documents provided for by the law, can be consulted at the company's headquarters. In addition it should be noted that the reference documents including the financial statements and auditors' reports are available online on the Group's website (www.touax.com).

25. Information regarding holdings

The Group directly owns a significant subsidiary, TOUAX Container Leasing Pte Ltd, a company incorporated in Singapore. Key figures for this company are given in section 7.2 page 32.

The Group directly owns a significant subsidiary, GOLD Container Investment Ltd, a company incorporated in Hong Kong. Key figures for this company are given in paragraph 7.2 page 32.

All the Group's shareholdings are set out in the Notes to the consolidated financial statements note 2.2 page 57.

26. Reports of the Managing Partners

26.1. Management report

Dear Stockholders,

TOUAX is a business services Group, specialized in operational leasing and the sale of standardized mobile equipment with a long service life (15 to 50 years):

- the shipping containers with a fleet of about 602,000 TEU (measurement of container size in twenty foot equivalent units) all over the world, making the Group the market leader in continental Europe, and in 9th position worldwide (source: Drewry Container Leasing Industry – 2013/14:
- modular buildings for use as offices, schools, hospitals etc., used by industry, local authorities and the construction industry. TOUAX is the 2nd largest leasing company in continental Europe, with an inventory of nearly 51,000 units in Europe, the USA and Morocco (source: TOUAX),
- river barges intended for leasing in Europe, the USA and South America. The Group is one of the leading players in the world (source: TOUAX),
- railcars used for carrying goods, for railway networks and by big industrial groups in Europe and the USA. The Group manages a fleet of about 8000 railcars as well as 1,300 railcars, for which it provides technical management services.

TOUAX is ideally placed to cater for the rapid growth in outsourcing by companies of their non-strategic assets and their use of leasing, which makes it possible to offer:

- a flexible contract for the short or long term;
- no capital expense for the customer,
- subcontracted maintenance;
- rapid availability.

Since TOUAX is a partnership limited by shares under French law (SCA), it is stated that the joint decisions of the stockholders, apart from those relating to the appointment and dismissal of members of the Supervisory Board, only enter into force and become enforceable against the stockholders, the company and third parties, once it has been ascertained that the decision of the General Partners complies with the vote of the General Meeting of Limited Partner Stockholders.

1. The TOUAX Group

The Group's origins date back to 1853. The TOUAX Group was set up on December 31, 1898 and has been listed on the Paris Stock Exchange since 1906.

International Financial Reporting Standards (IFRS)

The 2013 consolidated financial statements and comparatives have been prepared according to the IFRS accounting standards, in accordance with the regulations in force.

Changes in the scope of consolidation

The TOUAX Group withdrew three companies from its scope of consolidation following the winding up of entities with no activity. A complete list of the companies controlled by TOUAX is given in note 2.2 page 57.

Presentation of the Group's 2013 business activity

The consolidated revenue for 2013 was €349.3 million compared with €358 million in 2012, down 2.4% (-1.9% at constant exchange rates and excluding changes in the scope of consolidation).

GENERAL ANALYSIS

Operating revenue by type (€ thousands)	2013	2012	Variation 2013/2012	%
Leasing revenues	206,103	219,034	(12,931)	-6%
Sales of equipment and misc.	143,160	138,952	4,208	3%
TOTAL	**349,263**	**357,986**	**(8,723)**	**-2.4%**

ANALYSIS BY BUSINESS

Operating revenues by business (€ thousands)	2013	2012	Variation 2013/2012	%
SHIPPING CONTAINERS	**188,443**	**173,702**	**14,741**	**8%**
Leasing revenues	87,798	87,344	454	1%
Sales of equipment	100,646	86,358	14,288	17%
MODULAR BUILDINGS	**102,976**	**116,611**	**(13,635)**	**-12%**
Leasing revenues	70,250	78,885	(8,635)	-11%
Sales of equipment	32,725	37,726	(5,001)	-13%
RIVER BARGES	**23,797**	**25,834**	**(2,037)**	**-8%**
Leasing revenues	14,920	14,715	205	1%
Sales of equipment	8,878	11,119	(2,241)	-20%
FREIGHT RAILCARS	**34,984**	**41,626**	**(6,642)**	**-16%**
Leasing revenues	34,074	37,877	(3,803)	-10%
Sales of equipment	910	3,749	(2,839)	-76%
Other (sundries and eliminations)	**(938)**	**213**	**(1,151)**	**-540%**
TOTAL	**349,262**	**357,986**	**(8,724)**	**-2.4%**

ANALYSIS BY GEOGRAPHICAL AREA

Operating revenues by geographical zone (€ thousands)	2013	2012	Variation 2013/2012	%
International	187,557	173,702	13,855	8%
Europe	138,459	166,045	(27,586)	-17%
Africa	9,291	4,989	4,302	
Americas	13,955	13,251	704	5%
TOTAL	**349,262**	**357,986**	**(8,724)**	**-2.4%**

For the Modular Building, River Barge, and Freight Railcar divisions, the location of the services, markets and customers remained the same. For the Shipping Container division, the location of the customers and assets was different. Shipping containers are used on hundreds of trade routes throughout the world and the Group is not aware of their location. Shipping containers are therefore classified in the international zone.

The variation in revenue (up €8.72 million, i.e. -2.4%) has the following breakdown:

Shipping containers: The revenue of the shipping containers division amounted to €188.4 million, up 8.5% at the end of 2013 thanks to syndications and sales during the year and in spite of an unfavorable currency effect (+11.6% in constant dollars). Leasing revenues were stable at €87.8 million, up 2.8 % in constant dollars. The increase in the managed fleet made it possible to offset the slight decline in leasing prices. The utilization rate was 93% on average in 2013. Sales of containers proved highly dynamic in the 4th quarter with €47.4 million in syndications and sales of used containers.

Modular buildings: The division's revenue amounted to €103 million (-11.7%). Excluding changes in the exchange rate and consolidation perimeter, revenue fell by 16.2%. Overall, the leasing business was down by 10.9%, penalized by the very weak economic situation in Europe (decline in building and investments by companies and authorities), with a fall in utilization rates and daily prices in 2013 compared with 2012. Equipment sales were down by 13.3% at €32.7 million at 31 December 2013, in view of the Group's desire to refocus on less complex and more profitable sales, particularly in France. On the other hand, sales in Africa are dynamic and represent 28% of the division's sales revenue.

River barges: The division’s revenue amounted to €23.8 million (down 7.9%) due to fewer sales than in 2012. Leasing revenues continued to increase due to the bringing into service of new barges in South America and in spite of the sale of barges in the USA. Business in the Rhine basin suffered due to the difficult economic situation. Revenue outside Europe represented 39% of the division's revenue at the end of December 2013.

Freight railcars: The division's revenue was down 16% at €35 million, compared with the end of December 2012. Leasing revenues fell mainly due to a reduction in the managed fleet of about 10% at the start of 2013 when a customer exercised an option to purchase. There were no syndications in 2013.

Results

(€ thousands)	**2013**	2012	variation 2013/2012
SHIPPING CONTAINERS			
Gross operating margin (EBITDA)	62,839	64,426	(1,587)
Segment result before distribution to investors	61,329	61,891	(562)
Leasing income due to investors	(48,646)	(52,223)	3,577
Segment current operating income	12,683	9,668	3,015
MODULAR BUILDINGS			
Gross operating margin (EBITDA)	19,402	31,366	(11,964)
Segment result before distribution to investors	(4,369)	12,437	(16,806)
Leasing income due to investors	(1,560)	(1,947)	387
Segment current operating income	(5,929)	10,491	(16,420)
RIVER BARGES			
Gross operating margin (EBITDA)	5,558	7,218	(1,660)
Segment result before distribution to investors	1,740	4,182	(2,442)
Leasing income due to investors			
Segment current operating income	1,740	4,182	(2,442)
RAILCARS			
Gross operating margin (EBITDA)	14,819	15,024	(205)
Segment result before distribution to investors	6,422	7,868	(1,446)
Leasing income due to investors	(1,420)	(2,320)	900
Segment current operating income	5,002	5,548	(546)
TOTAL			
Gross operating margin (EBITDA)	102,618	118,034	(15,416)
Segment result before distribution to investors	65,122	86,378	(21,256)
Leasing income due to investors	(51,626)	(56,490)	4,864
Segment current operating income	13,496	29,889	(16,393)
Other (sundries and centrally-managed costs)	(584)	(269)	(315)
Other operating revenues and expenses	(5,563)		
Operating result	**7,349**	**29,043**	**(21,694)**
Financial result	(20,300)	(17,568)	(2,732)
Shares for profit/(loss) of associates			
Profit before tax and extraordinary items	**(12,951)**	**11,475**	**(24,426)**
Taxes	(1,928)	(2,749)	821
Consolidated net income	**(14,879)**	**8,726**	**(23,605)**
Minority interests	(424)	420	(844)
Net income (Group's share)	**(15,303)**	**9,146**	**(24,449)**

EBITDAR fell by 13.3%, mainly due to a reduction in the profitability of the Modular Building business and a drop in the sales of barges. As a result, EBITDA fell by 17.6% to €50.9 million.

- **Shipping Container division**

At December 31, 2013, the Shipping Container division showed a drop of €1.6 million in its gross operating margin (EBITDA), resulting from the weak leasing rates and prices. The sector-based operating income before tax and extraordinary items increased by €3 million as a result of the decrease in the distributions to investors.

- **Modular Building division**

The gross operating margin of the Modular Building division dropped significantly by €12 million in 2013 due to the total decrease in the utilization rates and the leasing prices. The sector-based operating income before tax and extraordinary items was a loss of €5.9 million. It included a significant fall in value of the assets as well as extraordinary expenses in France.

- **River Barge division**

The gross margin of the River Barge division fell by €1.7 million in 2013 and the sector-based operating income before tax and extraordinary items fell by €2.4 million. This resulted from the decline in sales in 2013 compared with 2012.

- **Freight Railcar Division**

The gross operating margin of the Freight Railcar division dropped slightly by €0.2 million in 2013. The drop in the utilization rate was offset by effectively managing costs. The sector-based operating income before tax and extraordinary items fell by €0.5 million.

- **Distribution to investors**

The Group manages equipment belonging to investors, to whom it distributes the net income generated by this equipment (i.e. the distribution to investors).

Distributions to investors came to €51.6 million (compared with €56.5 million in 2012), broken down as follows:

- €48.6m for the Shipping Container division;
- 1.6 million for the Modular Building division;
- 1.4 million for the Freight Railcar division.

The overall fall in distributions to investors (-9 %) is mainly due to the decline in the leasing business.

It should be noted that the leasing revenues include both rents received on behalf of third parties and rents belonging to the Group. It is not necessary to calculate the revenue received on behalf of third parties. This revenue is generated by equipment pools in which the Group owns some of the equipment. Nevertheless, the variation in the ratio of leasing revenue/revenue from sales, together with the variation in the ratio of leasing revenue on behalf of third parties/leasing revenue belonging to the Group, produces the variation in the rate of distribution of the revenues. In other words, the higher the level of leasing revenue received on behalf of third parties, the higher the rate of distribution of the revenue. In 2013, there was no significant change in the proportion of the fleet owned by the Group.

It should be noted that, in 2013, the Group managed equipment worth almost €1.6 billion (+3% like-for-like), 54 % of which belonged to third parties. In 2012, the situation was similar. The percentage of total leasing revenues distributed to investors decreased from 25.8% in 2012 to 25% in 2013.

- **Current operating income**

The operating income before tax and extraordinary items was down 56% compared with 2012.

This decrease is mainly due to a decline in the utilization rates and/or leasing prices in most of the divisions in spite of the good level of sales of equipment to investors by the Shipping Container division. The sales to end customers in the Modular Buildings and River Barges sectors were down in 2013 compared with 2012.

- **Financial profit or loss**

The financial loss was €20.3 million. The gross financial debt at December 31, 2013 came to €399.6 million with an average interest rate of 3.85 %. The gross financial debt at December 31, 2012 came to €432.6 million with an average interest rate of 3.66 %.

- **Net income, Group's share**

The tax expense came to -€1.9 million in 2013 with an effective rate of taxation of -15% compared with €2.2 million in 2012 with a tax rate of 24%. The Group's rate of taxation is negative and can be explained by the increased contribution of the loss-making companies to the income of the Group.

The Group's share of consolidated net income was -€15.3m, compared with €9.1 million for 2012. 2013 was affected by a weak economic context in Europe (apart from Germany) which negatively impacted the Modular Buildings activity, making it necessary to adapt the production capacities. This adjustment led to closure and restructuring costs as well as impairment of assets. The dynamism of the Shipping Containers activity was not enough to offset the weakness of business in Europe. Impairment of assets and restructuring provisions were recognized for a total of €13.3 million. These entries have no impact on cash.

Net earnings per share amounted to -€2.63 (compared with €1.60 in 2012), for a weighted average number of shares of 5,817,328 in 2013.

Group consolidated balance sheet

The consolidated balance sheet came to €745m in 2013 compared with €776m in 2012.

Non-current assets came to €563 million compared with €564 million in 2012, and the Group's share of the stockholders' equity came to €149 million compared with €157 million. In 2013, the Group diversified its sources of financing by issuing hybrid capital (undated deeply subordinated securities) coming to €32.8 million.

Non-current liabilities amounted to €357 million, down €19 million compared with €376 million in 2012. Consolidated net financial indebtedness (after deducting cash and marketable securities) came to €400 million in 2013 compared with €433 million in 2012, representing a decrease of €33 million, i.e. an 8 % drop %. This reduction is due to a fall in proprietary investments, sales of assets and an issue of hybrid capital.

The Group issued €32.8 million of undated deeply subordinated securities (TSSDI). These undated securities allow TOUAX to reserve the right to redeem them at par from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. The degree of subordination of these notes explains why their coupon is higher than that for the senior bonds issued in 2012. Payment of the coupon is only mandatory if dividends are paid. Under IFRS (International Financial Reporting Standards) rules, these notes are booked entirely to stockholders' equity.

This type of financial instrument, used for the first time by TOUAX, is particularly suitable given the lifetime of its assets and its business development financing needs. In this regard, this hybrid issue consolidates the Group's financial structure and enhances support for its international investment projects. This issue also gives the Group access to further sources of financing through the capital markets.

Foreseeable changes

The Group's free cash flow was positive, increasing from -€22.6 million in 2012 to +€25.3 million in 2013. The Group intends to continue to increase its free cash flow by the following means:

- disposals of non-strategic or non-leased assets,
- growth financed mainly by third party investors,
- stabilizing owned fleets,
- gradually increasing utilization rates, and
- optimizing costs.

The free cash flow is the cash flow from operating activities, after investments and changes in the working capital requirement.

Shipping containers: Forecasts for growth in container transport amount to 6% in 2014 and 7% in 2015, according to Clarkson Research (January 2014). Demand for new containers should therefore remain high in 2014. Stocks of containers in China fell in the second half of 2013. Shipping companies continue to focus on their core business and are outsourcing their container fleets, enabling the Group to take advantage of investment and leasing opportunities. The performance of the business will be positive in 2014, but below the exceptional performance achieved in 2013. The group is seeking to increase the managed fleet and develop installment plan and sale & leaseback operations.

Modular buildings: The Group does not anticipate a substantial improvement in its profits in Europe in the short term, and introduced savings to adapt to demand. Since it is mainly based in Europe, the division will only improve gradually and remain below the break-even point in 2014. At the same time the Group is working on its growth drivers and intends to develop its presence in Africa and South America.

River Barges: The leasing business continues to develop in South America where TOUAX is the market leader for river barge leasing. The business in Europe is slowly improving. The adaptations introduced in recent years should enable the division to achieve a high utilization rate in 2014. The new investments will be financed by third parties.

Freight Railcars: Given the low level of investment by the profession in Europe since 2009, the Group anticipates a return of the demand for freight railcars over the next two years. It has recently achieved commercial successes and continues to develop its international leasing offers. There was a slight improvement in rail freight transport in Europe in 2014. The new investments will be essentially financed by third parties.

Fabrice and Raphaël WALEWSKI, the Managing Partners, state that "although the modular building leasing business will continue to have a negative impact in 2014, the TOUAX Group plans to further increase its free cash flow in 2014.

In general, the TOUAX Group has the benefit of advantages that enable it to develop and make the most of the economic recovery: diversification of its businesses, positioning in structurally buoyant markets, flexible model of third-party asset management and proprietary asset management, and recurring income from long-term leases.

An additional presentation of the Group's outlook presented at the SFAF meeting on April 2, 2014 is provided in section 28.3 page 150.

Post-balance sheet events

TOUAX paid an interim dividend of €0.25 per share on 15 January 2014 for a total of€1.47 million.

Research and development activity

During the 2013 fiscal year, the Group incurred expenses for the development of modular building solutions. These costs were booked as charges. For the record, costs of product development and development of the industrial manufacturing process, incurred in 2007 during opening of the modular buildings assembly plant and coming to €0.3m, were capitalized in 2007, in accordance with the regulations in force.

Use of financial instruments by the Group

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

2. TOUAX SCA

TOUAX SCA provides advisory services to its subsidiaries, and has a real estate business.

Individual financial statements

The sales revenue of TOUAX SCA came to €2.1m in 2013 compared with €2.3m in 2012. Consultancy services provided by TOUAX to its subsidiaries decreased slightly 2013. The net return amounted to €2.7m compared with €5m in 2012. Its income mainly comprised dividends received from subsidiaries which amounted to €3.3 million, and financial revenue generated by the loans granted to its subsidiaries. The balance sheet of TOUAX SCA came to €320.8 million compared with €279 million in 2012. The TOUAX SCA balance sheet mainly comprised its holdings on the assets side, and the financing of the holdings on the liabilities side.

Non-deductible expenses amounted to €173,000. These expenses are largely made up of the neutralization of exchange adjustments (€130,000) and the miscellaneous accrued expenses (€43,000).

The company does not have R&D business activities.

The main business of TOUAX SCA is to provide consultancy services to its subsidiaries. The management anticipates a difficult year for the Group in 2014, which will probably have a negative impact on the business of TOUAX SCA.

The financial debt of TOUAX SCA amounted to €132.6 million, including bond issues coming to €22.3 million, compared with €182.4 million at December 31, 2012.

The businesses of the company's main subsidiaries are detailed in the reference document in section 6.1.1 page 29 and 7.1 page 32. TOUAX SCA indirectly acquired stakes in several companies in 2013, all of which were included in the scope of consolidation, as described in the notes to the consolidated financial statements.

Dividend distribution policy

The company implements a regular distribution policy. It has paid a dividend each year since its creation. The dividend varies according to the Group's results. It has no set distribution rule, such as a fixed percentage of net income or of the quoted market price. It paid an interim dividend of €0.25 per share on January 15, 2014.

Dividends unclaimed for five years are paid to the deposit and consignment office by the body responsible for dividend distribution. A history of the distribution policy is presented in section 20.6.1 page 91 of the reference document.

FISCAL YEAR	Date of payment	General partners' statutory compensation	dividend per share	number of shares (excluding treasury shares)	TOTAL of the distribution
2010	11 January 2011		0.50	5,691,522	2,845,761
2010	08 July 2011	935,798	0.50	5,697,901	3,784,749
TOTAL 2010			**1**		**6,630,510**
2011	10 January 2012		0.50	5,714,500	2,857,250
2011	09 July 2012	980,515	0.50	5,712,507	3,836,769
TOTAL 2011			**1**		**6,694,019**
2012	11 January 2013		0.50	5,735,033	2,867,517
2012	05 July 2013	892,151			892,151
TOTAL 2012			**0.5**		**3,759,667**
2013	15 January 2014		0.25		1,469,730
2013*	09 July 2014	508,611	0.25	6,234,194	2,067,159
TOTAL 2013			**0.5**		**3,536,889**

* subject to the General Meeting to be held 11 June 2014

Post-balance sheet events

The company paid an interim dividend totalling €1.5 million on January 15, 2014.

Appropriation of the result

The management will propose the following appropriation of the result to the next General Meeting on June 11, 2014:

Net profit of the 2013 fiscal year	2,716,258.77 €
Less General Partners' statutory compensation	-508,610.73 €
Less the allocation for the legal reserve	-135,812.94 €
Increased by the positive retained earnings	1,205,907.69 €
For a total of distributable profit of	**3,277,742.79 €**
Distribution of a total amount of €0.5 per share, given that	
- an interim dividend of €0.25 has been paid out for	1,469,730.25 €
- an additional dividend of €0.25 is set up at	1,558,548.50 €
i.e representing a total distribution of	3,028,278.75 €
Allocation of the balance to the retained earnings	249,464.04 €

The General Meeting sets the net dividend for the 2013 fiscal year at €0.50 per share. In view of the interim dividend of €0.25 net per share paid on January 15, 2014 to be deducted from the dividend for the 2013 fiscal year, an additional dividend of €0.25 will be paid in July 2014. The maximum number of shares giving entitlement to the dividend for the 2013 fiscal year, i.e. shares with dividend rights on January 1, 2014, came to 6,234,194 shares, i.e. the number of shares which made up the capital of the company on December 31, 2013, i.e. 5,883,773 shares, increased by the maximum number of shares liable to be created by exercising the redeemable stock warrants issued by the company, up to the coupon clipping date.

The dividend associated with the shares which had not been created on the day of the Meeting as a result of the redeemable stock warrants not being exercised as well as the treasury stock, will be carried forward in the accounts for the relevant part.

The balance of the dividend will be detached on 4 July 2014 (0:00 a.m.) and paid on 9 July 2014, given that an interim dividend of €0.25 was paid on 15 January 2014.

Stockholders have been asked to choose between the option of paying the interim dividend in cash or in shares, so that the company may decide.

TOUAX SCA term of payment

In accordance with Article D.441-4 of the French Commercial Code, the following table presents the breakdown at December 31, 2013 of the outstanding trade accounts payable by due date.

Trade accounts payable *(VAT included, € thousands)*	**2013**	2012
TOTAL of the non past due trade receivable	**740**	**405**
- including Group trade payable	384	208
TOTAL of the past due trade receivable	**179**	**128**
- including trade receivable < 60 days	65	20
- including trade receivable > 60 days	114	108
- including Group trade receivable		
- including non-Group trade receivable	179	128
TOTAL	**919**	**533**

The trade accounts payable of €919,000 are included under accounts payable.

Results of the company during the last five fiscal years (individual financial statements)

	(€ thousands)	2013	2012	2011	2010	2009
I	SHARE CAPITAL AT YEAR END					
	a) Share capital	47,070,184	45,922,136	45,765,992	45,565,208	45,502,608
	b) Number of existing ordinary shares	5,883,773	5,740,267	5,720,749	5,695,651	5,687,826
II	OPERATIONS AND RESULTS FOR THE YEAR					
	a) Revenue excluding taxes	2,147,071	2,306,593	2,662,895	1,705,053	1,793,708
	b) Earnings before tax, depreciation, amortization and provisions	2,885,745	4,924,070	5,338,903	5,626,848	1,866,924
	c) Corporation tax	(41,266)	(216,433)	(235,596)	(204,392)	(496,161)
	d) Employee profit sharing due for the year	na	na	na	na	na
	e) Earnings after tax and calculated charges	2,716,259	5,000,534	4,589,885	5,328,102	2,055,054
	f) Distributed income	3,028,278	2,867,517	3,251,499	4,158,030	3,253,436
III	EARNINGS PER SHARE					
	a) Earnings after tax but before depreciation, amortization and provisions	0.49	0.86	0.93	1.02	0.42
	b) Earnings after tax and depreciation, amortization and provisions	0.46	0.87	0.80	0.94	0.36
	c) Net dividend per share	0.5	0.5	1 (1)	1 (2)	1
IV	WORKFORCE					
	a) Average number of employees during the year	2	2	2	2	2
	b) Total payroll for the year	39,000	39,825	765,140	730,189	681,705
	c) Total social security benefits for the year (social security, welfare benefits etc.)	16,803	15,699	242,720	234,417	234,438

(1) of which 0.45€ a has been paid out of the share premium
(2) of which 0.28€ a has been paid out of the share premium

3. Corporate, environmental and social information (CSR)

The new statutory provisions resulting from Article 225 of the Grenelle 2 Act published in April 2012 and codified in Articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code, require the Group to publish from 2012 onwards, a certain amount of extra-financial (quantitative and qualitative) corporate, environmental and social information in its annual report.

These provisions also stipulate that this information must be verified by a third party, which has been approved as an independent third-party organization (OTI). The latter were assessed by the Saint Front firm. The report of the independent third party organization appears in section 26.2 page 117.

All the information pertaining to the company, the environment and society aspects is provided with a moderate level of confidence, given that the OTI consulted documentary sources and conducted interviews to corroborate and appraise the sincerity of the consolidated qualitative information, which was deemed by the OTI to be of greatest significance.

The CSR information published by TOUAX Group does not appear in documents or data files other than this management report.

TOUAX has joined the Gaia Index since 2012. In 2013, TOUAX was among the leading 20 companies for the industrial sector. Created in 2008, the Gaia index is dedicated to medium-sized securities and deals with non-financial data. Its objective is to determine the level of commitment of the companies in question to sustainable development issues. It thereby helps to promote companies by considering such factors as the environment, social responsibility and governance. Any additional information is provided on the www.gaia-index.com website.

3.1. Corporate information

3.1.1. Employment

Total workforce and breakdown of employees by sex, age and geographic zone

The Group had a workforce of 720 employees throughout the world at December 31, 2013 compared with 760 employees at the end of 2012. The Group increased its workforce by 5.3%.

28% of the workforce are located in France, 55% elsewhere in Europe, 13% in Africa, 3% in North and South America and 1% in Asia.

The breakdown in employees by geographic location and business segment as of December 31,2013 is as follows:

	Shipping Containers		Modular Buildings		River Barges		Freight Railcars		Central services		TOTAL	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Europe	18	21	493	528	15	20	30	30	36	38	592	637
Asia	10	7									7	7
Africa			92	92							92	92
Americas	3	4	18	16	2	1			3	3	24	24
TOTAL	**31**	32	**603**	636	**17**	21	**30**	30	**39**	41	**720**	760

On the whole the age pyramid and breakdown by category remained stable:

Geographic breakdown	2013	2012
France	**28%**	30 %
International	**72%**	70 %
Breakdown by type		
Male	**75%**	76 %
Female	**25%**	24 %
Breakdown by category		
Managers	**21%**	21 %
Employees	**79%**	79 %
Age pyramid		
Under 26	**5%**	6 %
26 - 40 yrs	**48%**	51 %
41 - 50 yrs	**33%**	30 %
51 or over	**14%**	13 %
Length of service		
< 1 year	**16%**	13 %
1 - 5 yrs	**52%**	61 %
6 - 10 yrs	**18%**	13 %
> 10 years	**14%**	13 %
Type of contract		
Number of employees with fixed-term contracts	**5%**	4 %
Number of employees with permanent contracts	**95%**	96 %

Appointments and dismissals

There were the following appointments and dismissals in 2013:

	2013	2012
Total number of departures during the year	**211**	188
Total number of new appointments during the year (1)	**177**	248
Staff turnover (%)	**29%**	26 %
Percentage of external recruitments with permanent contracts	**79%**	83 %

In France the Group introduced a recruitment procedure, the main aims of which are to:

- Define recruitment needs as accurately as possible in terms of level, qualifications, skills, experience, etc. in order to match the candidate with the position to be fulfilled,
- Validate the expense commitment,
- Clarify the roles of each participant, the resources to be implemented and the recruitment process.

This procedure applies to every recruitment (permanent, contract, temporary and internship).

The various recruitment stages at TOUAX are:

- The definition of the need,
- The verification of the allocated budget,
- The search for candidates,
- The selection of the candidate,
- The drawing up of the employment contract,
- The welcome and induction of the employee.

Salaries and salary rises

In the 2013 fiscal year, the Group's payroll came to €31,954,041, compared with €29,512,541 for the previous fiscal year.

Average compensation in euros (gross salaries)	2013	2012
Geographic breakdown		
France	**43,102**	43,263
Outside France	**24,058**	16,634
Breakdown by category		
Managers	**77,057**	64,342
Employees	**16,854**	14,768

For the Group as a whole, 55% of employees received a variable component (performance-related bonus and/or commission).

3.1.2. Organization of work

Organization of working hours

On December 31, 2013, 1.5% of the Group's employees worked part time.

Working hours are organized differently depending on the country. The French entities can be distinguished from the rest of the world.

In France, the working hours are displayed and are visible on the compulsory notice board. The reference working hours within the TOUAX economic and social unit (such as it is defined in section 3.1.3 below) are as follows:

- Monday to Thursday: 8:45 AM to 12 noon and 1:15 PM to 5:45 PM, with a 75-minute lunch break,
- Friday: 8:45 AM to 12 noon and 1:15 PM to 4:15 PM, with a 75-minute lunch break.

The working week comprises 37.25 hours (37 hours and 15 minutes). The difference between the working hours of 37 hours and 15 minutes and the legal limit of 35 working hours is offset by days' leave for the reduction of working hours.

In 2013, there were 14 days' leave due to the reduction of working hours for all employees of the TOUAX economic and social unit, and 8 days' leave due to the reduction of working hours for TOUAX Construction Modulaire (not included in the economic and social unit).

For our foreign entities, a 40-hour working week generally applies. Each subsidiary has the power and flexibility to set its working hours according to its constraints and local culture.

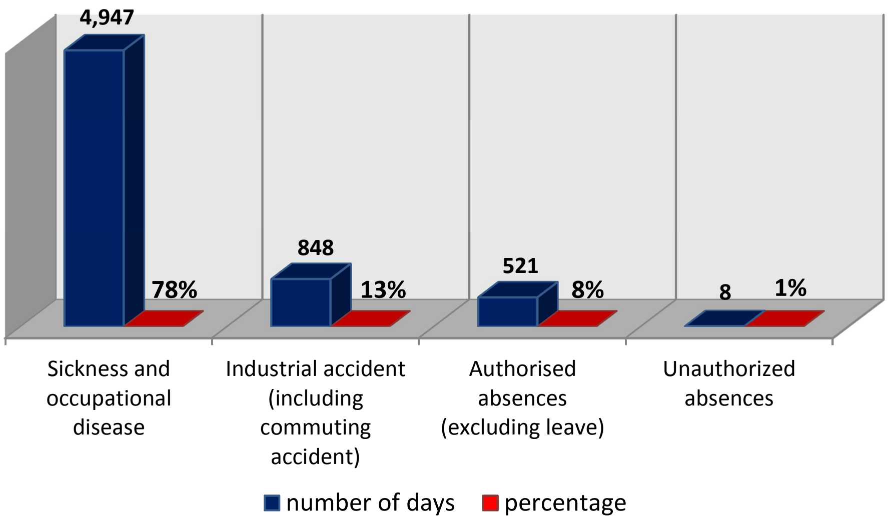
Absenteeism

The total absenteeism rate for the TOUAX Group was 4% in 2013, representing a total of 6,324 working days of absence.

The following table gives a breakdown of days of absence by grounds:

Breakdown of absences by grounds (in working days)	2013
Sickness and occupational disease	**4,947**
Industrial accident (including commuting accident)	**848**
Authorized absences (excluding leave)	**521**
Unauthorized absences	**8**

Sickness is the main cause of absenteeism in the Group. This type of absence constitutes 78% of the total number of days of absence. The following graph shows the percentage of the different grounds for absence:



3.1.3. Labour relations

Organization of social dialogue, in particular procedures for informing and consulting employees and negotiating with them

➢ Organization of social dialogue in France

An economic and social unit was created in 2007 comprising TOUAX Corporate, TOUAX Solutions Modulaires, TOUAX Container Services and TOUAX River Barges. Elections to the works council of the economic and social unit are held every four years.

The elected members have the remit of the works council and of staff representatives. This combined works council/staff representative organization (DUP) can be used within the economic and social unit, given that there are fewer than 199 members of staff.

The staff representatives are informed and consulted, on an ad hoc basis and periodically (according to a projected schedule), in particular concerning the organization and running of the company, the workforce, working time and training.

Minutes are drawn up at the end of each meeting of the works council and passed on to all employees of the economic and social unit.

➢ Organization of social dialogue in our foreign entities

Strictly speaking, the organization of social dialogue is not as structured abroad as it is in France, particularly since local labour law does not require companies to set up specific structures.

Our main entity in Morocco (SACMI) is nevertheless different from the other foreign entities. It has five staff representatives elected by all employees. Elections are held every six years, supervised by the senior management and the labour inspectorate.

These representatives attend meetings of the works council with the senior management. The main topics dealt with are social issues concerning the company, such as private health insurance or the organization of working time.

In general, social dialogue takes place at individual and/or collective meetings between the employees and the management.

Assessment of the collective agreements

No collective agreement was signed by the French and foreign entities of TOUAX in 2013.

3.1.4. Health and safety

Health and safety conditions at work

➢ Health and safety conditions at work in France

The TOUAX UES set up a health, safety and working conditions committee (CHSCT) in December 2011.

The members of the CHSCT are appointed every two years by the incumbent members of the works council and the incumbent staff representatives. The members have received specific training in these topics. The CHSCT is chaired by the Human Resources Director.

The CHSCT meets once each quarter (or more often if there is an exceptional request or serious accident) at the request of its Chairman who draws up the agenda with the CHSCT secretary.

The role of the CHSCT is to help to protect the physical and mental health and the safety of workers, and to improve their working conditions. It can propose preventive measures and seek the assistance of an expert in certain circumstances. It should be noted that at the head office of the French entities, all of which are located in the Tour Franklin, the company doctor, the head of safety in the Tour Franklin, the labour inspector and the representative of the regional health insurance fund (CRAMIF) are invited to these meetings.

The TOUAX Group meets its legal obligations regarding health and safety at work, for example:

- By updating the single document,
- By planning medical examinations for employees,
- By organizing safety training according to the type of work (e.g.: safe driving certificate (CACS) for handling equipment drivers),
- By using personal protection equipment in the agencies (gloves, protective goggles, safety footwear etc.).

In addition to its legal obligations, for several years the Group has implemented initiatives concerning emergency aid by training certain employees as First Aid Officers. Thanks to this training course they are taught to use defibrillators by the French Red Cross.

➢ Health and safety conditions at work outside France

The size of the structure and the activity of the entities often determine the level of requirements for health and safety at work. As a result, the Group's industrial entities in the modular buildings sector located in Morocco and the Czech Republic have much stricter requirements than the other entities.

In Morocco, the main operating company has a health and safety committee comprising five coordinators, whose role is to:

- give feedback on existing failings regarding safety to the safety manager, in order to take corrective action,
- to take initial action where required (use of fire extinguisher in case of fire) and secondary action (apply the alert procedure according to the instructions of the safety manager, use the first aid hose system etc.),
- rescue and provide first aid for victims, free and evacuate injured persons in favorable conditions.

The company benefits from the services of a company doctor linked to the state health scheme who is present twice a week (Monday and Thursday). Health and safety procedures exist within the company and posters make it possible to raise the awareness of all employees. A safety manager is appointed to ensure that the instructions are respected.

In the Czech Republic the company organizes a half-day safety training course for all employees once a year. There are also training courses in fire safety and protection against harmful substances that are dangerous for health.

In Germany and Poland our companies use external consultants to ensure that local rules are respected regarding health and safety at work (first aid equipment, wearing of personal protective equipment etc.).

Assessment of the agreements signed with the trade unions or staff representatives regarding health and safety at work

➢ Assessment of the agreements signed in France and abroad

No agreements concerning health and safety at work were signed by the Touax France and its foreign entities in 2013.

Industrial accidents, in particular their frequency and seriousness, and occupational diseases

	2013	2012
Number of industrial accidents with sick leave	**41**	50
Industrial accident frequency rate	**34.62**	37.77
Number of working days of sick leave following industrial accidents	**848**	1954
Industrial accident severity rate	**0.77**	1.48
Number of fatal industrial accidents		
Number of occupational diseases declared	**1**	1

3.1.5. Training policies implemented

➢ Policies implemented in France

A communication campaign was carried out in November 2013 concerning mid-term interviews and training interviews by the Human Resources Department. This campaign concerned the development, improvement and formalization of the practices of the Human Resources Department in France.

The Senior Management approved the introduction of mid-term interviews and training interviews. They provide a further opportunity for employees to express their wishes for professional development and make it possible to anticipate, plan and carry out training programs approved by the management throughout the year, thanks to the projected training plan drawn up at these interviews.

➢ Policies implemented abroad

In general, there is no common training policy. Each entity has the power to manage its own training budget.

The two main types are:

- compulsory training imposed by local regulations in particular regarding safety at work,
- training aimed at developing employees' skills approved by the local management during an interview between the employee and his line manager.

The human resources procedures at our companies in Morocco are more formalized than in the other foreign entities. An annual training plan to improve skills is drawn up in January and submitted to the training office by April 30 each year at the latest.

Total number of training hours

In 2013 the TOUAX Group spent €158,359 on training courses at the global level, representing 2,121.50 training hours. The Group trained 153 employees during the year, i.e. 20.8% of the average workforce during the year. It is worth noting that in Czech Republic, initiatives can be taken in addition to the aforementioned training courses on environmental matters.

3.1.6. Equal treatment

Measures taken to promote equality between men and women

In the Group's workforce as a whole at December 31, 2013, 18% of managers were women, and 16% of women were managers.

Measures taken to promote the employment and integration of disabled workers

In France, the number of disabled workers (in proportion to the number of days' presence) dropped from 3.32 in 2012 to 2.17 in 2013.

The Group encourages the employment of disabled workers through partnerships with recruitment agencies that specialize in placing disabled workers as well as the purchase of certain supplies and services from E.S.A.T. (Etablissement et service d'aide par le travail - Establishment and service for assistance in the workplace).

The Group continues to pay all of its apprenticeship tax to schools that specialize in disabilities and continues to promote the integration of disabled workers as far as possible. Since 2007 in France, TOUAX has chosen to pay most of the apprenticeship tax to the following training centres that specialize in the integration of the disabled into working life: Ecole IMG Leonce Malecot in Saint-Cloud, Clermont-Ferrand Trades Institute, INJA Paris, Impro Morphange, André Beule Institute in Nogent Le Rotrou, and IME l'Espoir in L'Isle Adam.

Anti-discrimination policy

All TOUAX Group companies respect local regulations regarding discrimination and comply with the law.

In 2011, the Group introduced an ethical charter which was given to all French employees and translated and passed on to all foreign entities. The charter has a section that deals with the issue of "respect for employees and industrial relations".

It is specified that all employees must "refrain from all forms of discrimination in particular on the grounds of sex, handicap, marital status, sexual orientation, age, political opinion, religious beliefs, trade union activity or race...". It is also specified that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

This charter makes it possible to increase employees' awareness of discriminatory practices and prevent as far as possible this type of inappropriate behavior. It should be noted that, due to its international nature, the Group welcomes numerous different cultures and nationalities within the various French entities.

3.1.7. Promotion of and respect for the fundamental conventions of the International Labour Organization

Respect for freedom of association and the right to collective bargaining

The TOUAX Group respects the principles of freedom of association and the right to collective bargaining

Furthermore, the ethical charter specifies that all employees must "refrain from all forms of discrimination on the grounds of trade union activity" and that "these commitments apply at the time of recruitment, but also to all decisions regarding training, promotion, continuation in employment and working conditions".

Elimination of discrimination regarding employment and profession

The ethical charter has a section presenting the anti-discrimination policy

Elimination of forced or compulsory labour and effective abolition of child labour

The ethical charter does not expressly deal with this issue, but does deal with the choice and fair treatment of suppliers. All employees must "be extremely vigilant with regard to suppliers that do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations".

The TOUAX Group informs its employees of the ethical issues involved when choosing suppliers.

3.1.8. Appendix to the corporate information

Methodological note

- Note concerning calculation of the workforce

This includes all employees who have a fixed-term or permanent employment contract with the TOUAX Group at December 31, 2013. It therefore also includes employees whose employment contract has been suspended (paid leave, sickness, maternity leave, parental leave, sabbatical leave, individual training leave etc.) and apprentices who receive a pay slip. Expatriates are included in the workforce of the company where their mission is performed on the basis of the local contract. Temporary workers and interns are not included in the calculation of the workforce.

- Group scope of consolidation applied

The scope of consolidation for the corporate information includes all TOUAX Group's consolidation entities that employ staff. This includes the following entities:

BUSINESS	COMPANY
Shipping Containers	Touax Container Services
	Gold Container Corp.
	Touax Container Leasing Pte Ltd
	Gold Container Investment Ltd
Modular Buildings	Touax NV
	Touax BV
	Touax Espana SA
	Touax Construction Modulaire
	Touax Solutions Modulaires
	SIKO Containerhandel Gmbh
	Touax Sp. zo.o
	Touax Modular Building Llc
	Sacmi et Ramco
	Touax s.r.o
River Barges	Touax River Barges
	Eurobulk Transport Maatschappij BV
	Touax Hydrovia Corp.
	Touax Rom SA
Freight Railcars	Touax Corporate
	Touax Rail Limited
Central Services	Touax Corporate
	Touax Corp

The scope of consolidation for corporate indicators therefore includes the entire workforce of the TOUAX Group.

The scope of consolidation is reviewed and updated after each internal or external growth operation communicated by the management.

For some indicators, the data was not available for all subsidiaries. The scope of consolidation for each indicator is specified in the following section, "Coverage rate of the indicators published".

- Note concerning the idea of the "manager" and "employee" categories

We have decided to introduce manager and employee categories throughout the Group.

According to the definition adopted, a manager is a person who supervises at least two people for the foreign subsidiaries. For the French part of the Group, managers are those with the status of: manager ("cadre"). All other statuses are included in the employee category.

- Note concerning the calculation of seniority

Seniority is calculated from the date of the first contract signed by the employee with a company belonging to the TOUAX Group, and does not take into account changes of position within the Group.

- Note concerning calculation of staff turnover

This refers to the total number of departures during the year divided by the average workforce during the year. The average workforce is calculated by dividing by two the sum of the workforce at the start of the year and the workforce at the end of the year.

- Note concerning calculation of the absenteeism

The data is converted into hours and this figure is then converted back into 7-hour days.

- Note concerning calculation of the rate of absenteeism

This indicator is calculated by dividing the total number of working days of absence during the year by the number of days worked during the year.

Coverage rate of the indicators published

The Group selected the scope of consolidation for which the indicators have been published.

The coverage rate is the ratio for each indicator between the perimeter actually concerned and the Group perimeter adopted. This rate is calculated in relation to the total workforce of the Group at the end of the year.

TOUAX undertakes to increase as far as possible its coverage rate each year. Apart from what is indicated in the table below, the indicators published cover 100% of the Group scope of consolidation.

Indicators	Coverage rate in 2013	Coverage rate in 2012	Subsidiaries for which source data could not be collected in 2013	Subsidiaries excluded
Absenteeism (sickness, occupational disease, industrial accidents, commuting accidents, sick children, authorized absences excluding leave, unauthorized absences)	79.16%	98.95%	Touax Hydrovia Corp, Gold Container Investment et Gold Container Leasing, Touax Rail Limited, Touax Modular Building	
Number of accidents with sick leave and frequency rate, number of days' sick leave and severity rate	92.60%	95.92%	Touax Hydrovia Corp, Gold Container Investment, Gold Container Leasing, Gold Container Corp, Touax Modular Building et Touax Corp, Touax Rail Limited	
Total training expenses during the year (in EUR) Number of training hours provided during the year	40.38%	57.11%	Touax Hydrovia Corp, Gold Container Investment, Gold Container Leasing, Gold Container Corp, Touax Modular Building,Touax Corp, Touax Rail Ltd, Eurobulk et Touax s.r.o	All subsidiaries excluding France
Number of employees trained during the year and ratio	40.38%	57.11%	Touax Hydrovia Corp, Gold Container Investment, Gold Container Leasing, Gold Container Corp, Touax Modular Building,Touax Corp, Touax Rail Ltd, Eurobulk et Touax s.r.o	
Number of disabled w orkers	27.57%	95.26%		All subsidiaries excluding France

3.2. Environmental information

3.2.1. General environmental policy

The organization of the company to take into account environmental issues and, where appropriate, the environmental assessment or certification procedures

Section 2.5 of the TOUAX ethical charter emphasizes "environmental responsibility" and raises the awareness of all employees to this issue. Employees must ensure that they:

- contribute to the TOUAX environmental initiatives,
- think about their behavior, in all areas of activity that have an impact on the environment, in order to minimize the carbon footprint whenever possible (number of trips, saving energy, saving water, reducing waste), and
- immediately inform their line manager of any unusual discharge or emission into the ground, air or water.

Each of the Group's businesses involves different environmental issues, which we will present separately.

➢ **Shipping Containers**

Shipping containers can only be loaded and transported on ships designed for that purpose, called container carriers. Most current container carriers have a container capacity of 500 to 3,000 TEU. Even though the business only makes containers available to its customers, it indirectly contributes to sustainable development by promoting soft transport of goods which emits less CO2 per tonne-kilometer.

A typical container in the Group's fleet is made of 85% steel, 13% wood and 2% miscellaneous products (paint, joints etc.). The business has no constraints regarding recycling of materials since the containers are sold before the end of their lifecycle. It is nevertheless easy to recycle containers at the end of their life given the large amount of steel they contain. In addition, the business supports research into technical solutions (through the Institute of International Container Lessors - IICL) for developing environmentally friendly components for manufacturing containers, e.g. combinations of wood and steel for the floor in order to strengthen the latter and minimize wood consumption.

➢ **Modular Buildings**

The Modular Building division endeavors to develop increasingly eco-friendly products and processes, and especially to minimize the energy consumption of the buildings it produces, well beyond the statutory requirements.

The module assembly process on the customer's site is a dry process which does not consume water on site or pollute the soil, and limits all of the nuisances of traditional construction.

Unlike traditional construction, the modules are solutions that can be quickly and easily moved from one site to another, with less environmental impact.

The Czech entity has performed particularly well, obtaining the ISO 14001:2005 Environmental Management certification in September 2011, which is valid for a period of three years.

➢ **River Barges**

The River Barge business uses existing and natural waterways. It is a safe, low-polluting method of transport. A barge can transport far more goods than a truck or a railcar. For example, on average, a convoy of 12 barges transports the equivalent of 1,100 truckloads. This business helps to promote sustainable development by emitting comparatively less CO2 than other more conventional methods of freight transport such as road transport, according to a comparative study of CO2 emissions by different methods of freight transport by the French Environment and Energy Management Agency (ADEME).

It should be noted that the general insurance policy of the European fleet covers risks of pollution. The leases require the lessees to comply with navigation rules and expressly mention the ban on transporting radioactive products and waste.

➢ **Freight Railcars**

The Freight Railcar business contributes to sustainable development through its soft method of transport, in the same way as the River Barge and Shipping Container divisions. According to a study by the French Environment and Energy Management Agency (ADEME), in France, rail freight transport is the method of transport that emits the lowest level of CO_2, at 5.75 grams per tonne-kilometer. Next comes water transport (applicable to river barges) with 37.68 grams, then road transport with 133.11 grams.

As a member of trade associations, TOUAX Rail Ltd helps to promote and defend rail freight transport among government and European organizations. It helps to promote combined rail transport and consequently contributes directly to sustainable development and the quality of the environment at European level.

The division has also had Entity in Charge of Maintenance (ECM) status since December 2011 and the certification was renewed in December 2013. Some of the partner workshops to which maintenance of the railcar fleet is subcontracted have ISO 14001 certification, but this is not a requirement within the rail sector. In addition, the railcar maintenance workshops and railcar manufacturers comply with the local environmental standards in force.

Training and information provided for employees regarding environmental protection

In 2013, the TOUAX Group enabled some of its employees from the Modular Building division in Czech Republic to receive a total of 350 training hours in environmental protection. Several dozen employees attended training courses on protecting surface water and underground water, and managing waste and chemicals.

Information campaigns were also already conducted in the Modular Building division in France. For example, TOUAX Construction Modulaire organized a meeting with its supplier PAPREC (specialized in waste collection and sorting) for all operators and forklift truck operators, to raise awareness of sorting waste in the production department. The welcome booklet for the French plant also contains a procedure for sorting waste. For its part, TOUAX Solutions Modulaires has informed its employees about the new standards imposed by the Grenelle Environment Round Table applicable to its sector (RT 2012). In Morocco, environmental issues are discussed during internal meetings.

Finally, the ISO 14001 certification obtained by the Czech entity made it possible to produce documents and videos on environmental management. Employees are periodically shown information videos.

The means devoted to preventing environmental risks and pollution

In 2013, only the Modular Building division spent €28,783, through its Czech subsidiary, on preventing environmental risks and pollution. This amount was used as follows:

- Eco-friendly disposal of waste (89 %), and
- Water protection (11 %).

The amount of the provisions and guarantees for environmental risks, provided that this information is not likely to cause serious harm to the company in a current dispute

In 2013, there were no provisions or guarantees for environmental risks within the TOUAX Group. The environmental risks likely to affect the company's assets or income are insignificant, since the Group is mainly a service provider. These risks are presented in the risk factors in section 4.3.8 page 24.

3.2.2. Pollution and waste management

The measures for preventing, reducing and correcting discharges into the air, water and soil that have a serious environmental impact

The Group optimizes its fleet of trucks and consequently respects the environment by reducing carbon emissions in the atmosphere.

The means implemented are in particular:

- Regular inspection of road transport vehicles, forklift trucks, rail-cars and pushboats,
- Subcontracting of transport to specialized companies and/or
- Streamlining of deliveries/returns in order to avoid unnecessary journeys.

Generally speaking, by ensuring that its assets are in good condition, the Group helps to respect the environment.

➢ **Shipping Containers and Freight Railcars**

There is no policy for discharges in these divisions which do not represent any specific risk in this regard, since TOUAX does not manufacture containers or freight railcars.

Nevertheless, the Freight Railcar Division makes sure that its equipment is kept in good condition with regular servicing in about thirty maintenance workshops, which are certified in accordance with TOUAX's maintenance rules.

Like the vehicles, railcars are serviced approximately every three years in the workshops. In 2013, 770 railcars were serviced.

Each railcar undergoes a full service. Each railcar normally has between two and six axles, given that an axle comprises a central pin and two wheels, one at each end. Work on the railcars in the maintenance workshops is divided into two separate flows:

- a flow for the axles, and
- a flow for the railcars.

➢ **Modular Buildings**

This division does not produce significant levels of polluting emissions. Nevertheless, investments were made in the assembly plants in France and the Czech Republic to further reduce the emissions identified.

The French plant invested €90,000 in a high-solid paint system (30% solvent) and in an electrostatic application increasing the transfer rate by 20%. This helps to reduce discharge of organic compounds volatile in air. Furthermore, the annual maintenance contract of the spray-painting booth ensures that the volatile organic compounds filtering system always functions correctly.

In August 2011 the Czech plant invested in its module spray-painting booth, installing an incinerator for volatile organic compounds. Emissions decreased from 9.53 tonnes in 2010 to 4.7 tonnes in 2012 and should not experience a significant change in 2013.

➢ River Barges

All motorized and non-motorized units comply with the standards for registration (registration, flag, measurement) and safety for each river basin. They are registered with the waterway administration that issues registration and navigation certificates. These certificates are issued after inspection(s) by an approved company and renewed at regular intervals, generally every five years, with an intermediate inspection every two and a half years. To renew the certificate, it may be necessary to dry-dock the barge for inspection and repair work.

All boats are therefore monitored and maintained in good condition in order to meet environmental and safety standards for their respective basin. If necessary, for example in case of an oil leak, the dirty water in the engine room of the boat is pumped out by a truck or tanker and then taken to a sewage treatment plant to be reprocessed.

Preventive, recycling and waste disposal measures

➢ Shipping Containers

The service life of a shipping container is 15 years and the service life of a storage container varies between 20 and 40 years.

At the end of the lifecycle, used containers are sold on the aftermarket for many uses (transport, storage, processing, spare parts). Consequently they are never scrapped by the TOUAX Group.

The division endeavors as far as possible to replace its fleet with increasingly eco-friendly containers. The division now uses water-based joints for its containers instead of solvent-based joints which contain chemical products.

➢ Modular Buildings

The service life of a module is about 20 years. In general, the modules in the French agencies' rental fleet are reconditioned at the end of their service life. The reconditioning operations are intended to extend the service life of the product, retaining the steel structure and covering the module with new components such as panels.

When the modules cannot be reconditioned, the agencies dismantle the different components of the module and sort them. For modules that have reached the end of their life and cannot be reconditioned or sold, the components are sorted and then collected by recycling professionals. In 2013, about one hundred modules were destroyed by a business specialized in recycling.

The industrial sites of the Modular Building business produce waste during the module production process. The French and Czech plants produced a total of 549.32 tonnes of waste in 2013, with the following breakdown

(in tonnes)	French plant	Czech plant	**TOTAL**
Scrap metal	5.98		5.98
Recycled cardboard	8.06	10.38	18.44
Recycled wood	53.32		53.32
Recycled plastic		22.4	22.4
Common industrial waste	150.75	254.65	405.40
Aerosol (hazardous waste)	0.54	1.46	2.00
Paint and thinner (hazardous waste)	2.78	39	39.00
TOTAL	**221.43**	**327.89**	**549.32**

Hazardous industrial waste came to 3.78 tonnes in France in 2013, i.e. 8% of the amount of industrial waste produced.

➢ River Barges

The actual service life of a barge is 30 to 50 years, even though the depreciation period is 30 years.

At the end of their lifecycle, the barges are cleaned, dismantled and scrapped (i.e. taken apart) by authorized companies. The steel (scrap metal) is resold and reused. A scrapping certificate is issued by the contractor and makes it possible to obtain a scrapping and deregistration certificate from the waterway administration.

Consequently, at the end of their life barges are never abandoned or dumped, but are always dismantled and recycled as described above. In 2013, two barges of the division were sent for recycling.

➢ Freight Railcars

The service life of a railcar varies between 30 and 50 years. At the end of their lifecycle, railcars are never dumped. All railcars that are no longer used are either sold or scrapped (process similar to the barge recycling process).

A railcar comprises:

- 99.5% recyclable metals, and
- 0.5% spare parts (rubber watertight seals in the braking system, rubber buffer in the shock and traction systems) and liquid waste (axle grease).

The axle grease is cleaned with detergents in the maintenance workshops and then all the parts are recycled in accordance with local regulations for the workshop.

After recovering any re-usable spare parts, all scrapped railcars are recycled. In 2013, only one about car was scrapped in this way.

Procedures for dealing with noise disturbance and all other forms of pollution specific to an activity

The Group's businesses have the advantage of producing very little noise disturbance. Analyses have been conducted on the Group's industrial sites that are potentially the most exposed to this risk, to determine the level of such disturbance.

In the Modular Building business, the French plant carried out an analysis of the noise level at its site in November 2010.

The results showed that the sound level in the autonomous paint and welding production unit (UAP1) was higher than the exposure limit values. The autonomous production unit UAP2 (assembly) showed compliant values on the whole. Corrective action was immediately taken, requiring ear plugs to be worn in UAP1 and making ear plugs available for operators in UAP2 if required.

In Czech Republic, TOUAX commissioned a noise level study of its site in 2013. As with the French plant, the results showed that the sound level in the paint and welding unit was higher than the exposure limit values. Corrective measures were immediately taken to make ear defenders compulsory. Regarding the production and assembly units, the study showed that noise levels were compliant in most cases. Nevertheless, TOUAX now provides its staff with ear defenders if needed.

Furthermore, two complaints from local residents were recorded in Morocco regarding the dust produced by the vehicles used around the site. As a result, road signs were installed to set speed limits for the road users. There were no complaints in 2013 for the two other industrial sites of the Group.

Regarding the Freight Railcar business, the railcars purchased or manufactured by the Group since 2010 have been fitted with composite brake wear plates, which are quieter and comply with European standards for reducing noise levels emitted by railway systems.

3.2.3. Sustainable use of ressources

Water consumption and supply according to local constraints

By their nature, the TOUAX Group's businesses consume little water. Water consumption is mainly for everyday office use, given that the modular building assembly units do not use water in the manufacturing process of the modules. This information is not provided given the diversity of the Group's sites.

Consumption of raw materials and measures taken to improve efficiency of their use

- **Shipping Containers**

	2013	2012
Number of containers bought (in TEU)	19,050	39,100
Number of containers sold (in TEU)	20,324	4,475
Managed container fleet at December 31 (in TEU)	602,096	564,866
Steel equivalent of the containers bought (in tonnes)	48,364	140,000
Quantity of wood for floors of the containers bought (in tonnes)	7,476	23,000

TEU: Twenty foot Equivalent Unit

- **Modular Buildings**

	2013	2012
Number of modular manufactured by our factories	4,249	nc
Number of modular sold	4,395	nc
Managed fleet of modular at December 31	51,499	51,177
Steel equivalent of manufactured modulars (in tonnes)	4,909	nc

- **River Barges**

	2013	2012
Number of barges bought (excluding service boats and pushboats)	24	20
Number of barges sold (excluding service boats and pushboats)	12	34
Managed fleet of boats at December 31	130	152
Steel equivalent of the barges bought in tonnes (excluding service boats and pushboats)	8,225	9,750

- **Freight Railcars**

	2013	2012
Number of railcars bought		127
Number of railcars sold	3	60
Railcar fleet at December 31	7,952	9,119
Steel equivalent of the railcars bought (in tonnes)		2,982

Energy consumption and measures taken to improve energy efficiency and the use of renewable energy

In France, the aim of the 2012 Thermal Regulations (RT2012) imposed by the Grenelle Environment Round Table is to reduce the energy consumption of new buildings by setting a maximum limit for consumption of heating, ventilation, air-conditioning, domestic hot water production and lighting.

The Modular Building division is subject to these regulations and took steps to meet the new requirements. Its continuous search for solutions for low energy consumption has enabled it to develop an efficient insulating jacket system in order to meet the latest thermal standards.

The fuel consumption of our three modular building assembly plants associated with logistics (fork lift trucks) was 41,138 liters in 2013.

The energy consumption of these sites is shown below:

	French entity	Czech entity	Moroccan entity	Total for industrial sites
Electricity consumption in GWh in 2013	0.453	3.12	0.41	**3.983**
Gas consumption in GWh in 2013	1.412	2.075	Non applicable	**3.487**
Total consumption in 2013 in GWh	**1.865**	**5.195**	**0.41**	**7.47**

Land use

In view of issues faced by our various businesses, this information is not applicable.

3.2.4. Climate change

Greenhouse gas emissions

The Group's various business activities produce little pollution and emit very little greenhouse gas, since the Group's main activity is as a leasing company. The issue of emissions may arise at the level of our stakeholders, such as:

- our customers, who transport goods using the barges, containers and railcars that we make available to them, and
- our suppliers, who produce our products and who may emit greenhouse gas during the production processes.

TOUAX contributes to the development of alternative forms of transport to road transport with its Shipping Container, Freight Railcar and River Barge business activities. A calculator was set up to measure the reduction in CO2 emissions on the www.ecotransit.org website. Our road-user clients were asked to compare their CO2 emissions according to their road-use and tonnes transported. Thanks to the equipment leased by TOUAX, customers can achieve significant reductions in CO2 emissions that they can measure in an efficient way.

In the River Barge division which contributes to this objective to reduce greenhouse gas emissions, planning has begun regarding initiatives aimed at the reforestation and preservation of forests in the intertropical zone for the benefit of local populations.

Adapting to the consequences of climate change

- **Shipping Containers**

The Shipping Container business is dependent on world trade. Any impact of climate change on world trade would have an impact on this business. For example, the rise in temperature could make new trade routes accessible in the North Pole, which would reduce the number of containers required for trade between Asia and Europe.

- **Modular Buildings**

The Modular Building business has not identified possible consequences of climate change on the modules.

- **River Barges**

Climatic incidents occur frequently, but it is not possible to determine whether their frequency is due to climate change. Our customers are directly affected by of the hazards of navigation, such as drought, floods or ice sheets. In 2013, high levels of rainfall on the Danube disrupted river transport.

- **Freight Railcars**

In theory, climate change, and in particular the rise in temperatures favors the Freight Railcar business by replacing polluting methods of transport (road) with cleaner methods such as rail.

3.2.5. Protection of biodiversity

Measures taken to protect or develop biodiversity

Out of concern for the future of the planet, the TOUAX Group decided to introduce a system for collecting documents (newspapers, magazines, paper, cardboard) and computer media (CDs, DVDs, hard drives and diskettes) at the head office in La Défense. Shred-it containers are provided for employees near the printers.

These highly efficient machines shred documents, computer media and cardboard boxes which are then squashed into bundles and directly sent for recycling to be made into second grade paper (toilet paper, kitchen paper etc.). Shred-it, which provides this service, gives us an environmental certificate at the start of each calendar year showing the number of trees saved thanks to our contribution. In 2013, 28 trees were saved.

More generally, the businesses of the TOUAX Group do not have a direct impact on biodiversity. Consequently, no concrete measures were taken to protect or develop biodiversity in 2013. Plans are nevertheless under way in the River Barge division to preserve the forest by working in partnership with a social-purpose enterprise.

3.2.6. Appendix to the environmental section

The environmental section contains qualitative and quantitative information. A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

Methodological note

- Group scope of consolidation applied

The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. The scope of consolidation is the same as that used in the corporate section, point 3.1.8 above, page 107.

- Note concerning the calculation of the steel equivalent of new railcars

This calculation is based the average weight of an empty railcar of 23.6 tonnes, of which on average 99.5% is made of steel. The average weight was calculated by the TOUAX technical department based on the technical data for each railcar (including the tare or unloaded weight) in our information system. The calculation is the ratio between the sum of the unladen weights of all of the railcars in the fleet, and the number of railcars in the fleet at a given date.

- Note concerning the calculation of the steel equivalent of new barges (excluding service boats and pushboats)

The weight of the steel of each barge bought is known to the nearest kilogram, which makes it possible to calculate the total steel equivalent of all of the barges bought.

- Note concerning calculation of the steel equivalent of the modules manufactured

The weight of the steel of the modules manufactured is determined either according to the actual steel consumption or according to a theoretical weight of a standard module.

- Note concerning the calculation of the steel equivalent of new containers

The weight of the steel and wood of the containers is determined according to the type of container produced by the Group.

Coverage rate of the indicators published

This section specifies the scope of consolidation for which the indicators have been published.

The coverage rate is the ratio for each indicator between the perimeter actually concerned and the perimeter adopted (business, Group, industrial sites etc.). This rate is calculated in relation to the total workforce of the Group at the end of the year. TOUAX undertakes to increase as far as possible its coverage rate each year.

Due to the diversity of the TOUAX Group's businesses and the current organization of reporting, the indicators (except for the provisions and resources devoted to environmental protection) are not consolidated at Group level but by business. The scope of consolidation of each indicator is specified in the text. When the indicators are consolidated by business, the contributing entities are those presented in the table concerning the scope of the data. However, since some data is not accessible, the reporting perimeters may not cover all of the Group's businesses as specified below:

Name of the indicator	Basis for calculating the coverage rate	Coverage rate in 2013	Coverage rate in 2012	Subsidiaries for which source data could not be collected in 2013
Number of training hours in environmental protection (scope: permanent contracts/fixed-term contracts and apprenticeships)	Group	100%	98 %	
Amounts invested to prevent environmental risks and pollution in euros	Group	100%	98 %	
Amount of provisions and guarantees for environmental risks in euros	Group	100%	98 %	
Number of complaints from residents of industrial sites	Modular buildings plants	100%	100 %	

3.3. Social information

3.3.1. Information regarding the social commitments to promote sustainable development

Regarding employment and regional development

The TOUAX Group's three industrial sites for the Modular Building business employed 54% of the total workforce at December 31, 2013. Most of the employees who work there come from the vicinity of the companies. The plants dynamize their respective local labour market areas.

For example, the Czech plant is located in Supikovice, which lies in a labour market area that historically has an unemployment rate higher than the national average.

Regarding surrounding or local communities

The Group is in partnership with the association ZYVA, whose aim is to "facilitate the integration of young people into society by putting in place activities making it possible to take care of young people in difficulty".

Zy'va is involved in providing social support and promoting school attendance of children and adolescents in the heart of the Cité des Pâquerettes housing estate, one of the poorest districts of Nanterre, France. Every weekday, it offers in particular:

- Homework help, remedial and literacy classes,
- Cultural events: theatre, dancing, films etc.,
- A library, a computer room.

To help it with its work, 10% of the apprenticeship tax was paid to the association in 2013 as well as an additional subsidy.

Furthermore, the Modular Building division provides buildings for the local authorities and institutions (nursery schools, hospitals etc.) and by the very nature of its business helps to create local services for the surrounding communities.

3.3.2. Relations with people and organizations concerned by the company's business, in particular associations that promote integration, teaching institutions, environmental associations, consumers associations and the surrounding communities

Conditions for dialogue with these people or organizations

The relations formed with many organizations helps the group to share best practices with other businesses and prepare for changes in regulations and standards.

In general, people or organizations interested by the business activities of each division can obtain information on their products and services on each relevant website. To obtain an element of information on the TOUAX Group, the interested people or organizations can go to the www.touax.com website.

Partnership and sponsorship initiatives

Section 2.4 of the ethical charter, "Charitable activities and sponsorship" specifies that the TOUAX Group "authorizes sponsorships and contributions to charitable activities provided that they are in the general interest and contribute effectively to the social action specified by the Group. These actions or contributions are subject to the prior written approval of the director of the division concerned, the Managing Partners and the Human Resources Department. They are duly listed to ensure the coherence of the Group's general humanitarian policy. "

The TOUAX Group has provided support to humanitarian initiatives through recognized NGOs. Following the earthquake in Haiti, the Group supplied shipping containers. The Group also made donations to the Action Contre la Faim association following the participation of about 20 employees from the head office in a sponsored run aimed at financing the programs of this association in Haiti and in Liberia.

Initiatives were also launched by the Group's subsidiaries abroad. In Morocco for example, our entity made a donation in 2013 to a Moroccan actor providing drama coaching to the children of employees and of the surrounding communities. In Poland our entity made donations to orphanages and hospitals.

3.3.3. Subcontracting and suppliers

- **Consideration of environmental and social issues in the purchasing policy**

Section 3.4 of the ethical charter addresses the issue of the choice and fair treatment of suppliers. It stipulates that all employees in contact with suppliers must "be extremely vigilant with regard to suppliers who do not respect the Group's ethics, the labour laws in force in the countries concerned, or the health, safety and environmental protection regulations."

The TOUAX Group informs its employees of the ethical issues involved when choosing suppliers. At present, there are no clauses concerning social and environmental criteria in our purchasing policy. However it is worth noting that some suppliers enforce their own CSR criteria.

A study is under way with the manufacturers in order to include social and environment issues in purchasing agreements within the Shipping Container division.

- **The importance of subcontracting and the consideration of social and environmental responsibility in relations with suppliers and subcontractors**

The TOUAX Group intends to conduct a study in the next few years and introduce initiatives to give greater consideration to its social and environmental responsibility in its relations with suppliers and subcontractors.

3.3.4. Loyalty

- **Action taken to prevent corruption**

The TOUAX Group ethical charter has several sections on preventing corruption. Section 1.5 deals with gifts and invitations, section 1.6 deals with corruption and section 1.7 deals with conflicts of interests. Each section provides recommended ethical behavior to be adopted in these situations. Measures are therefore taken to increase the awareness of Group employees of the fight against corruption.

- **Measures taken to promote consumer health and safety**

  - **Modular Buildings**

Customer specifications may include numerous options to improve safety for users, such as firefighting systems (smoke detectors, fire hoses, alarms etc.).

  - **River Barges**

All our barges comply with safety standards. All persons on board must comply with the safety standards (life jacket, safety footwear and hard hat where appropriate).

In 2013, the division had four barges built in Europe. The decks of the barges are covered in anti-slip metal sheets and the hold is equipped with a handrail to improve user safety.

  - **Freight Railcars**

User manuals and maintenance guides are provided for each customer to improve user safety.

- **Other initiatives in favor of human rights**

To date, the TOUAX Group has not subscribed to the international standards concerning the respect for human rights. Nevertheless, the ethical charter makes employees aware of this issue.

3.3.5. Appendix to the social section

The social section provides comprehensive data.

The quality information published concerns all of the consolidated entities of the TOUAX Group that employ personnel. The scope of consolidation is the same as that used in the corporate section, point 3.1.8 above, page 107.

A matrix developed in house is sent every year to each person identified within each business activity in order to obtain the information that appears in the report. This information is then supplemented by interviews. Information is fed back to the Group's Finance Department under the supervision of each local finance department.

4. Other information

- **Amendments to the Articles of Association**

Article 6 "capital stock" and article 2 "corporate objective" of the articles of association of the company were modified following the increase in capital resulting from the incorporation of part of the issue premium of the capital.

- **Statutory employee profit-sharing in the company's capital at December 31, 2013**

There was no statutory employee profit-sharing in the company's capital at December 31, 2013.

- **Cross-stockholding**

There is no cross-stockholding (holding of securities of TOUAX SCA by its subsidiaries). The organization chart of the Group is set out in section 7.1 of the reference document and the list of subsidiaries is set out in the note 2.2 of the notes to the consolidated financial accounts of the reference document.

- **Treasury stock**

On December 31, 2013, the company held 3,436 of its treasury stock, These shares were acquired following the stock buyback program approved by the Combined General Meeting of June 11, 2013. The history of the movements of treasury stock held by TOUAX is detailed in chapter 18 of the reference document.

- **Compensation of corporate officers**

The total compensation received by the corporate officers of TOUAX SCA came to €867,200 in 2013. This remuneration is detailed in the reference document, chapter 15 page 37.

Regarding the remuneration of Managing Partners, it is worth remembering that this is governed by the articles of association and can only be set and modified by the stockholders in a general meeting ruling in the presence of a quorum and by a majority of an extraordinary general meeting. The Afep-Medef code was amended in June 2013 in order to include the provisions of the "say on pay" in French law in order to fall in line with a large number of countries where rules allow General meetings to decide on the remuneration policy or the individual remuneration of managers. TOUAX considers the statutory remuneration for Managing Partners to be a sign of the business's transparency and already gives stockholders rights regarding this issue, which are in keeping with the spirit of the new recommendations of the code. The stockholders may refer to paragraphs 15.1 and 27.2 section 1.2 of the 2013 reference document to find out the elements of the remuneration owed or attributed for the fiscal year ending 31 December 2013 to the managers, Mr Fabrice WALEWSKI and Mr Raphaël WALEWSKI.

Compensation of the General Partners

The General Partners' compensation corresponds to 3% of the Group's net income plus 1% of the Group's consolidated EBITDA after deducting leasing income due to the investors. In 2013, the General Partners received 3% of the 2012 net income plus 1% of the Group's consolidated EBITDA after deducting the leasing income due to investors, i.e. a total of €892,000. This compensation specified in the Articles of Association is considered equivalent to a dividend.

Mandates and duties exercised by the corporate officers

The report of the Chairman of the Supervisory Board indicates the terms of office and duties of the corporate officers. This report is included in the reference document, section 27.2 page 119.

Adjustment of the conversion factors of stock-options and marketable securities giving access to capital

Following the increase in capital by incorporating €1,148,048 from the issue premium, the bases for converting the redeemable stock warrants issued in 2007, which were adjusted as a result in June 2013, with four 2007 redeemable stock warrants giving the right to apply for 1096 TOUAX shares.

On 31 December 2013, there were no more 2008 warrants and there were only 1,278,910 remaining 2007 redeemable stock warrants to be exercised, which are not in-the-money on the date of this report.

Powers delegated by the General Meeting

The Combined General Meeting of June 11, 2013 delegated the following issue authorizations to the Management Board:

description of the authorization	authorization date	Expiration date	Maximum amount athorized(1)	utilization during the fiscal year	Total amount unused
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital with preferential rights	Combined shareholders' meeting of 11 June 2013 (16th resolution)	11 August 2013	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2013	nil
Increase of the share capital by issuing shares and/or securites giving either immediate or future access to company's share capital without preferential rights through a public offering and with priority delay	Combined shareholders' meeting of 11 June 2013 (17th resolution)	11 August 2013	Maximal nominal amount of the share capital that could be realized immediately or in the future: €20 million	unused in 2013	nil

(1) The ceiling of €20,000,000 is the maximum amount authorized for all capital increases par value.

These authorizations were the subject of different resolutions and were approved by the General Meeting of Stockholders. They remain in force for a period of 26 months from June 11, 2013.

Stock buyback

The Group bought and sold its own shares via its liquidity contract managed by an investment service provider. A summary of the stock buyback program is given in the reference document in section 18.4 page 41.

Bonus shares

None

Injunctions or sanctions for anti-competitive practices

None

Stock options

There is no stock options scheme at 31 December 2013.

Dealings in securities carried out by the management

To the company's knowledge, the following security transactions were carried out in 2013 by the managers and the General Partners:

Alexandre WALEWSKI, chairman of the supervisory board, acquired 5577 shares of TOUAX SCA on 19 April 2013.

It is worth pointing out that the stockholder managers and general partners benefited from the increase in capital carried out in June 2013, by the attribution of 1 new share to every stockholder holding 40 old shares. Alexandre WALEWSKI was attributed 13,458 new shares, the Société Holding de Gestion et de Participation was attributed 15,752 new shares and the Société Holding de Gestion et de Location was attributed 15,404 new shares.

Stockholders and breakdown of voting rights

A list of the stockholders, the percentage of shares and voting rights held, and the thresholds crossed are presented in the reference document, chapter 18 page 40.

There are no categories of shares or securities which do not represent capital. As a highlight, it should be noted that a stockholder, Sofina, increased its interest in the company at the beginning of 2013 to 23.22% of the capital.

Employee stockholding

None

Factors likely to have an impact in the event of a takeover bid

The company's legal form, a partnership limited by shares under French law, is generally considered to protect the company from takeover bids. There are two categories of stockholders, limited partners and general partners; the latter have the power to appoint the Managing Partners, which makes it difficult to carry out a change of control.

Regulated agreements

The following related party agreements concluded by TOUAX SCA remained in force during the 2013 fiscal year:

Companies concerned	Related party agreement
TOUAX CONTAINER SERVICES SAS	Fiscal integration agreement
TOUAX SOLUTIONS MODULAIRES SAS	Fiscal integration agreement
CONSTRUCTION MODULAIRE SAS	Fiscal integration agreement
TOUAX RIVER BARGES SAS	Fiscal integration agreement
TOUAX CORPORATE SAS	Fiscal integration agreement
SCI FRANKLIN LOCATION	Offices lease contract

No new regulated agreement was concluded during the 2013 fiscal year. The guarantees, advances and security previously seen as related party agreements were deemed to be standard agreements.

Risk factors

The principal risks are detailed in section 4, Risk Factors, of the reference document and in the notes to the consolidated financial statements note 26 page 80. They comprise the following risks:

- **Legal risks**

Provision is made for these risks as soon as a charge is likely in accordance with Article L.123-20 paragraph 3 of the French Commercial Code.

- **Environmental and market risks**

These risks are in particular economic and geopolitical risks and risk of exposure to sustained competition.

- **Risks linked to the business**

These are mainly business risk, customer counterparty risk, risk of dependence on a customer or supplier, supplier risk, technical risk, subcontractor risk and management risk.

- **Financial risks**

These are market risks (interest rate and foreign exchange risk), liquidity risk, equity price risk, counterparty risk for financial institutions, and risk of raw material price volatility.

- **Insurance – coverage of the risks**

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

5. Other General Meeting resolutions submitted to the stockholders

Renewal of the terms of office of the members of the Supervisory Board (8th to 13th resolutions) and setting of the director's attendance fees (7th resolution)

The Supervisory Board currently has six members. They are elected for one year, i.e. until the Ordinary General Meeting called to approve the financial statements for the fiscal year to December 31, 2013.

You are asked to renew the terms of office of the following six members for a period of one year, i.e. until the General Meeting called to approve the financial statements for fiscal year 2014:

- Mr Alexandre WALEWSKI,
- Mr Jean-Jacques OGIER,
- Mr Jérôme BETHBEZE,
- Mr François SOULET de BRUGIERE,
- AQUASOURCA represented by Mrs Sophie DEFFOREY-CREPET,
- Mrs Sophie SERVATY.

You will find a detailed presentation of the six members who are being put forward for renewal in section 27.2 page 122 of the report of the Chairman of the Supervisory Board.

It is stated that, in accordance with the law, the General Partners who are stockholders cannot take part in the vote to renew the terms of office of the members of the Supervisory Board.

We propose that you allocate attendance fees to the members of the Supervisory Board for a total of €63,000.

Renewal of the authorization to carry out a stock redemption program (14th resolution) and authorization to cancel securities (15th resolution)

We propose that you renew the program to authorize the buyback of shares in our company.

It should be noted that this program only concerns TOUAX shares listed for trading on Compartment C of the NYSE Euronext Paris regulated market, ISIN FR0000033003.

The previous stock redemption program was authorized by the Ordinary General Meeting of June 11, 2013 and has been reported on half-yearly to the AMF. The purpose of the program was to:

- carrying out market making and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider, in accordance with the Code of Practice recognized by the French Financial Markets Authority (AMF);
- granting stock options and/or allotting bonus shares to employees and managers of the company and/or of TOUAX Group companies;
- granting coverage for securities that entitle the holder to receive shares in the partnership under the regulations currently in force;
- keep the shares bought, and use them later for trading or as payment in possible corporate acquisitions, though the shares acquired for this purpose may not

exceed 5% of the capital stock;

- proceed with their cancellation subject to the adoption of the 15th resolution.

The scheme was set up for the sole purpose of conducting transactions so as to enhance activity and liquidity in the market for the shares. These purchase and sale transactions were carried out via a liquidity agreement concluded on October 17, 2005 in accordance with the code of ethics approved by the AMF, with the investment services provider GILBERT DUPONT.

At December 31, 2013 the company held 3,436 treasury stock, it being stated that during the 2013 fiscal year it bought 142,842 shares and sold 144,818 shares under the liquidity agreement, the sole purpose of which was market making and ensuring the liquidity of the TOUAX share.

The transactions are summarized in the following table:

Declaration by TOUAX SCA of transactions in own shares on February 28, 2014	
Percentage of the share capital held directly or indirectly	0.06%
Number of shares cancelled during the past 24 months	
Number of securities held in the portfolio	3,438
Book value of the portfolio (€)	67,190.48
Market value of the portfolio (€)	69,172.56

TOUAX has not used derivatives in connection with its previous share buyback scheme.

The renewal of this program is in line with articles L. 225-209 of the French Commercial Code and will be submitted to the General Meeting of stockholders on June 11, 2014 (14th resolution). The General Meeting will also discuss the authorization to cancel shares (15th resolution).

Our company wants to implement this stock redemption program with the same aims as those adopted by the General Meeting of June 11, 2013.

Regarding the aim of stabilizing the share price, the company's shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the code of ethics approved by the French Financial Markets Authority (AMF).

These shares may be acquired, sold, transferred or exchanged on one or more occasions, by any means including, where appropriate, by private agreement, block sale of holdings or the use of derivatives. These transactions may be carried out at any time, including during a public offering, subject to the regulations in force.

The program concerns the possibility of buying back a maximum of 10 % of the capital stock under the following conditions:

• Maximum purchase price per share: 40 €

• Maximum amount: 23,535,092 €

• Length of the program: 18 months from the authorization granted by the Ordinary General Meeting on June 11, 2014, i.e. until December 10, 2015.

We ask you to approve the draft resolutions which are submitted for your approval.

La Défense, March 26, 2014

Fabrice and Raphaël Walewski

Managing Partners

26.2. Report of the independent verifier on the social, environmental and societal information consolidated presented in the management report issued for the year ended December 31, 2013

To the Shareholders,

As a member of the profession of certified public accountant designated independent verifier (the admissibility of the application for accreditation has been accepted by COFRAC; Article 3 of the Decree of 13 May 2013) of TOUAX SCA, we present our report on the consolidates social, environmental and societal information established for the year ended December 31, 2013 presented in the management report (hereafter referred to as “CSR Information”) pursuant to the provisions in the Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company

It is the responsibility of the Management to establish a management report including CSR information referred to in the Article R.225-105-1 of the French Commercial Code (Code de commerce).

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession inserted in the Decree of 30 March 2012 related to certified public accounting practice. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Independent verifiers’ responsibility

It is our role, based on our work:

- To certify that the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R.224-105 of the French Commercial Code (Code de commerce) (Attestation of presence of CSR Information);

- To express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects;

Our verification work was undertaken by a team of 4 people between March 3 and March 26, 2014 for about four weeks.

We conducted the work described below in accordance with the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission and in accordance with the professional standards applicable in France for certified public accountant relating to specific attestation.

1. Attestation of completeness of the CSR information

We did the following work:

- we obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programs;
- we have compared the CSR information presented in the management report with the list as provided for in the Article R.225-105-1 of the French Commercial Code (Code de commerce);
- we verified that the CSR information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L233-3 of the French Commercial Code (Code de commerce);
- in the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105, paragraph 3 of the French Commercial Code (Code de commerce).

Based on this work, we confirm the presence in the management report of the required CSR Information.

2. Limited assurance on CSR Information

We have identified people in charge of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information.

We have identified the procedures for internal control and risk management related to the preparation of the CSR Information.

We have conducted interviews in order to verify the implementation of this process:

- Legal manager,
- Human Resources Director, Human Resources manager,
- And for each activity, a Technical manager or a Quality manager or a Chief Financial Officer.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

We focused on:

- Social information: health and security at work, training policy, the number of training's hours;
- Environmental information: prevention and reduction measures for soil, air and water emissions, and waste disposal measures;
- Societal information : relationship with suppliers and subcontractors;

For this CSR Information which we considered the most important:

- At the level of the entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of entities that we selected, based on their activity, their contribution their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented more than 20% for information which we considered the most important.

For the other consolidated CSR Information, we assessed their consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we reviewed by exercising our professional judgment allow us to express a conclusion of limited assurance; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented.

Toulouse, 26 March 2014

The Independent Verifier,

Cabinet de Saint Front

Jacques de Saint Front

27. REPORT OF THE SUPERVISORY BOARD AND OF THE CHAIRMAN OF THE SUPERVISORY BOARD

27.1. REPORT OF THE SUPERVISORY BOARD

Dear Stockholders,

In accordance with Article L. 226-9 of the French Commercial Code, the Supervisory Board presents to you its report on its mission to provide continuous monitoring of the Group's management.

In 2013, the Supervisory Board carried out its monitoring mission with total independence, and received all of the documents and information needed to properly perform its mission, in particular regarding the accounts, financial commitments and risks inherent in its businesses and environment.

Through its Chairman, the Supervisory Board takes part in divisional supervisory committees. These committees are organized by the Managing Partners and the operational departments, and their purpose is to present the business strategies, in particular the changes in market strategy, geographical strategy, competitive positioning and the progress achieved through previous strategies. Their purpose is also to study significant events occurring during the period in question. In 2013, the Supervisory Board was presented with the detailed strategic vision of the Modular Building division and the Shipping Container division.

The different elements of the Supervisory Board's mission are provided in greater detail in the report of the chairman of the Supervisory Board.

The Managing Partners' Annual Report and the Financial Statements provided to you show the developments in the Group's business and results during the 2013 fiscal year. The Statutory Auditors have reported the findings of their audits. We have no observations to make regarding the company and consolidated accounts of the last fiscal year.

2013 was marked by a 2.4% decrease in revenues (fall in leasing revenue of 5.9% and rise in sales of 3%) and by a fall in the operating income before tax and extraordinary items (-56%). The Group's share of the net return comes to a loss of €15.3 million.

This loss is largely due to the restructuring started in the Modular Building business with the shutting down of production in France and the posting of impairments for tangible assets and goodwill.

The Supervisory Board paid particular attention to the Group's debt and points out that the banking ratios calculated on the Groups consolidated accounts were respected. The bank gearing ratio (debt with recourse / stockholders' equity) came to 1.21 at the end of 2013 compared with 1.47 at the end of 2012. The bank leverage ratio, which indicates the ability to repay financial debts (net indebtedness with recourse/EBITDA), increased with a ratio of 4.24 years in 2013 compared with 4 years in 2012.

Taking into account the total debt (with and without recourse) the gearing was 2.2, which is within the internal limit of 2.8 recommended by the Supervisory Board. On the other hand, at 7.6 years, the leverage ratio was higher than the internal limit of 5 years recommended by the Supervisory Board.

The Group was affected by surpluses in comparison to leasing capacities in the Modular Building business leading to the shutdown or slowdown in production of its assembly centres and a surplus of equipment for some types of railcar. These surpluses arising from the downturn in business on the markets led to a decrease in leasing prices.

The Group's balance sheet was sound at the end of 2013. The consolidated balance sheet came to €744.6 million in 2013 compared with €776.1 million in 2012. Balancing net debts of €400 million, the Group has in particular (i) net tangible fixed assets, inventory and equipment rented out to customers under finance leases coming to €585 million, (ii) goodwill coming to €29 million, which does not include the real value of the four divisions, which manage equipment worth a total of €1.6 billion, including €851 million on behalf of third party investors.

The proposal put forward to the General Meeting by the Managing Partners and Supervisory Board of your company is to allocate a dividend of €0.50 per share, given that an interim dividend of €0.25 was paid in January 2014. The average amount distributed during the course of the last 6 fiscal years is about 35% of the profit.

The Board requests your approval of all of the resolutions submitted to you.

The Group's main strengths are the diversity of its businesses and its geographic positioning as well as the recurrent nature of its income, which for the most part comes from long-term leases. In the long term, the business of the Group is still associated with markets which have a structurally healthy outlook. The Supervisory Board is therefore able to confirm its confidence in the company's future and in the Managing Partners.

La Défense, March 26, 2014

The Supervisory Board

27.2. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS UNDER WHICH THE SUPERVISORY BOARD'S WORK WAS PREPARED AND ORGANIZED, AND ON THE INTERNAL CONTROL PROCEDURES INTRODUCED BY THE COMPANY

Dear Stockholders,

In accordance with Article L.226-10-1 of the French Commercial Code, this report presents the conditions under which the Supervisory Board's work was prepared and organized, as well as the internal control procedures introduced by TOUAX SCA.

The other Group companies are not covered in this report. Nevertheless, they must to apply the procedures specified by the Group. All the Group's internal control procedures are applied by all subsidiaries in the same way.

The report was prepared by the Administration and Finance Department and the Senior Management of the Group, and was discussed and approved at the meeting of the Supervisory Board of March 26, 2014.

The Board wishes to point out that it conducts its work above all in a collegiate manner, with respect for ethical values, the law, regulations and recommendations.

1. Corporate governance

The company is managed by a Management Board and a Supervisory Board. The business address of the members of the Supervisory Board, the Managing Partners and the General Partners is: TOUAX SCA – Tour Franklin – 23ème étage – 100-101 Terrasse Boieldieu – 92042 La Défense cedex France.

The company is run by the Management Board made up of Fabrice WALEWSKI and Raphaël WALEWSKI. It is assisted by an Executive Committee and operational departments. The Supervisory Board continually monitors the running of the company by the Management Board.

To the best of our knowledge, no conviction for fraud, bankruptcy, sequestration, liquidation, incrimination, official public sanction or impediment has been pronounced during the past five years against any of the members of the Supervisory Board, either of the Managing Partners, either of the General Partners or a company in which one of the two General Partners is a corporate officer, general partner, founder, or has administrative, management or supervisory duties.

The management expertise and experience of the members of the Supervisory Board are shown by the mandates that they hold in other companies and their length of service with the Group.

In addition, to the best of our knowledge there are:

- No potential conflicts of interest between the duties with regard to TOUAX SCA of any of the members of the Supervisory Board, the Chief Executive Officer or either of the General Partners, and their private interests or other duties;
- There are no arrangements or agreements between any of the members of the Supervisory Board or Senior Management, or either of the General Partners, and any of the main stockholders, customers or suppliers;
- No restrictions on the sale by a member of the Supervisory Board, manager or General Partner, within a certain period of time, of their interest in the Group's capital stock;
- There were no customer service contracts binding the members of the TOUAX SCA Supervisory and Management Boards or either of the General Partners, to any of its subsidiaries;
- There are no family ties between the members of the Supervisory Board.

Compliance with the corporate governance rules of the French Association of Private Companies (AFEP) and the French employers' association (MEDEF)

- In addition to legal requirements, the Group complies with the governance rules recommended by the AFEP/MEDEF included in the Corporate Governance Code revised on June 2013. This report is available on MEDEF's website: www.medef.fr. The application of the recommendations and provisions regarding the compensation of executive and non-executive corporate officers is presented in chapter 15.
- In accordance with Article L. 225-68 paragraph 8 of the French Commercial Code, this report specifies the provisions of the code that are not applied by the company.

1.1. The General Partners

TOUAX is a partnership limited by shares under French law (SCA) with two General Partners as stated in the articles of association described in section 21 of the reference document.

The General Partners are Société Holding de Gestion et de Participation, held and managed by Fabrice WALEWSKI and Société Holding de Gestion et de Location, held and managed by Raphaël WALEWSKI.

The General Partners have approved all of the resolutions put to the vote of the stockholders at the Combined General Meeting of June 11, 2013.

The compensation of the General Partners is provided for under Article 15.5 of the articles of association and voted on by the Extraordinary General Meeting. It represents 3% of the Group's share of consolidated net profit after tax, plus 1 % of the TOUAX Group's consolidated EBITDA, after deducting the leasing income due to investors. Based on the net income for the 2012 fiscal year, in 2013 it came to €446.1 for Société Holding de Gestion et de Participation and €446.1 for Société Holding de Gestion et de Location. Since the General Partners are themselves corporations, no provisions have been set aside or recognized in respect of pensions or other benefits.

It should be noted that, in order to bring the interests of the General Partners into line with those of the company, the General Partners invested about €2 million in assets managed by the Group. These investments are governed by a Code of Practice which has been approved by the Supervisory Board. The General Partners receive the same terms for management of their assets as those applied to third party investors. The revenues from such managed assets are not guaranteed by the Group; the management fees charged by the Group are the same as those charged on the market, and the assets are managed indiscriminately in existing equipment pools. On 31 December 2013, only Société Holding de Gestion et de Participation, held by Fabrice WALEWSKI, still owns equipment, namely the equipment purchased to Fabrice WALEWSKI, which he held in his capacity as Managing Partner. When the assets were sold and left the pool, the Managing Partners received the same terms of sale as those applied to the Group or third party investors.

1.2. Management Board

Since July 28, 2005 the company has been managed and administered by a Management Board made up of the two Managing Partners, Fabrice and Raphaël WALEWSKI. They were appointed at the Extraordinary General Meeting of June 30, 2005 for an unlimited period. In addition to the powers of the Supervisory Board and the General Meeting, the powers of the Managing Partners are not limited.

They meet as a Board in order to take decisions. The Management Board met officially seven times in 2013. The main purpose of these meetings was:

- payment of an interim dividend;
- the closing of the annual individual and consolidated financial statements and closing of the consolidated half-year financial statements;
- the repurchase of redeemable stock warrants;
- authorization to issue bonds.

Alexandre WALEWSKI (Chairman of the Supervisory Board), Raphaël WALEWSKI and Fabrice WALEWSKI are first-degree relatives.

In discharging their duties the Managing Partners are assisted by an Executive Committee and the senior management of the operational departments.

The Managing Partners' compensation is determined in the Articles of Association and approved by an Extraordinary General Meeting. It comprises a fixed portion, a variable portion, and a family separation allowance for business trips abroad. The total amount and detail of the remunerations are presented in chapter 15 of the reference document, given that the compensation of the corporate officers came to €804,200 in 2013.

Article 11.5 of the articles of association stipulates that:

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

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

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

The General Partners are free to determine the methods of payment of the Managing Partners' compensation, and may limit its amount. The variable portion is paid, following the General Partners' decision, within sixty (60) days of the General Meeting called to approve the financial statements.

This compensation may be modified at any time by decision of the General Meeting of Stockholders on the proposal of the General Partners after consulting the Supervisory Board, provided both General Partners agree.

All travel and entertainment expenses incurred by the Managing Partners in the interests of the company will be paid by the company.

It should be noted that in order to bring the interests of the Managing Partners into line with those of the company, Fabrice and Raphaël WALEWSKI invested about €2 million in assets operated by the company. These investments were governed by a Code of Practice which has been approved by the Supervisory Board. The managers benefited from the same conditions for management of their assets as those offered to third party investors. The revenues from such managed assets were not guaranteed by the Group; the management fees charged by the Group were the same as those charged on the market, and the assets were managed indiscriminately in existing equipment pools. At the end of 2013, the Managing Partners no longer held any equipment. In 2013, Fabrice WALEWSKI, who still held equipment worth about €500,000, sold it to Société Holding de Gestion et de Participation, limited partnership.

1.2.1. Current terms of office of Raphaël WALEWSKI

- Company offices and commencement dates: director in 1994 (term of office expired on July 28, 2005),
- Chief Executive Officer in 1999, 2001, 2003 and 2005,
- Chairman in 1998, 2000, 2002 and 2004
- Deputy CEO in 2005 until the company's change of form on July 28, 2005,
- Managing Partner of TOUAX SCA since 2005,
- Age: 47,
- French citizen.

Mandate as a non-executive or executive director within the following Group companies:

TOUAX Construction Modulaire SAS, TOUAX Solutions Modulaires SAS, TOUAX River Barges SAS, Eurobulk Transportmaatschappij BV, TOUAX Rom SA, TOUAX Hydrovia, GOLD CONTAINER Corporation, GOLD CONTAINER FINANCE Corporation, TOUAX CONTAINER LEASING Private LTD, GOLD CONTAINER Investment LTD, TOUAX Modular Building USA Llc, SIKO Containerhandel GmbH, TOUAX Sp. zo.o., TOUAX Sk, TOUAX Sro, TOUAX BV, TOUAX Africa, TOUAX Maroc Capital, SACMI, RAMCO, TOUAX Capital SA, TOUAX CONTAINER Lease Receivables Corporation, TOUAX Corporate SAS, TOUAX Corporation, TOUAX Equipment Leasing Corporation, TOUAX Espana SA, TOUAX Finance Inc., TOUAX Assets BV, TOUAX Leasing Corporation, TOUAX NV, TOUAX Rail Finance Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd, TOUAX Rail Ltd, TOUAX Texmaco Railcar Leasing Private Ltd.

Chairman of SHGL (leasing & management holding company) and partner of SCI Franklin Location. Raphaël WALEWSKI has no directorships in listed companies outside the TOUAX Group, including those outside France.

Raphaël WALEWSKI did not directly hold any shares in TOUAX SCA at December 31, 2013.

1.2.2. Current terms of office of Fabrice WALEWSKI

- Company offices and commencement dates: director in 1994 (term of office expired on July 28, 2005),
- Chief Executive Officer in 1998, 2000, 2002 and 2004,
- Chairman in 1999, 2001, 2003 and 2005 fiscal years until the company's change of form on July 28, 2005
- Deputy CEO in 2004,
- Managing Partner of TOUAX SCA since 2005,
- Age: 45,
- French citizen.

Mandate as a non-executive or executive director within the following Group companies:

TOUAX Corporate SAS, TOUAX Container Services SAS, Eurobulk Transportmaatschappij BV, GOLD CONTAINER Corporation, GOLD CONTAINER Finance Corporation, TOUAX CONTAINER Leasing Private LTD, GOLD CONTAINER Investment LTD, TOUAX Modular Building USA Llc, SIKO Containerhandel GmbH, TOUAX Sp. zo.o., TOUAX Sk, TOUAX Sro, TOUAX BV, TOUAX Capital SA, TOUAX CONTAINER Lease Receivables Corporation, TOUAX Corporation, TOUAX Equipment Leasing Corporation, TOUAX Espana SA, TOUAX Finance Inc., TOUAX Leasing Corporation, TOUAX NV, TOUAX Rail Finance Ltd, TOUAX Rail Finance 2 Ltd, TOUAX Rail India Ltd, TOUAX Rail India Finance Ltd, TOUAX Rail Ltd, TOUAX Rail Romania SA, CFCL TOUAX Llc, TOUAX Rom SA, TOUAX Hydrovia, et TOUAX Texmaco Railcar Leasing Private Ltd.

He is also Chairman of Société Holding de Gestion et de Participation, Managing Partner of SCI Franklin Location and has responsibilities with Dunavagon Sro and DV01 Zrt. Daniel WALEWSKI has no directorships in listed companies outside the TOUAX Group, including those outside France.

Fabrice WALEWSKI did not directly hold any shares in TOUAX SCA at December 31, 2013.

1.3. The Executive Committee

1.3.1. Composition

The Executive Committee was created in June 1992.

The Executive Committee currently has four members:

Raphaël WALEWSKI	Managing Partner (since June 1994)
Fabrice WALEWSKI	Managing Partner (since June 1994)
Stephen Ponak	Managing Director – Asset Management (since January 1998)
Thierry Schmidt de La Brelie	Managing Director - Finance Director (since March 2005)

1.3.2. Functioning

The executive committee meets regularly (twice a month as a rule) to conduct the actual management of the company and its subsidiaries.

Its main missions are:

- to perfect the Group’s strategy and the investment and financial strategies,
- to monitor and control the Group’s businesses,
- to monitor and manage risks,
- to decide on investments and disposals.

The committee met 23 times during 2013, and all of the members attended each meeting.

Financial committee meetings of a technical nature are also held between certain members of the committee. In addition, the business directors of the Group's divisions occasionally attend the Executive Committee meetings to discuss matters which concern them.

1.3.3. Compensation

The gross compensation of the four members of the Executive Committee came to €1,215,500 in 2013.

1.3.4. Stock options and stock warrants allotted to the members of the Executive Committee

The company issued stock warrants in 2008. The 22,500 remaining stock warrants, including those held by Stephen PONAK, became null and void on 12 March 2013.

On February 2, 2007 the Management Board issued bonds with redeemable equity warrants (OBSARs). At December 31, 2013, to the best of the company's knowledge, none of the members of the Executive Committee held any redeemable stock warrants. It is stated that redeemable stock warrants were sold in 2010 by Raphaël WALEWSKI to Société Holding de Gestion et de Location and, in 2011 by Fabrice WALEWSKI to Société Holding de Gestion et de Participation. The redeemable stock warrants were not in-the-money when this report was drawn up.

1.4. Supervisory Board

1.4.1. Composition of the Supervisory Board

In accordance with legal provisions and the Articles of Association, the Supervisory Board comprises a minimum of three and a maximum of twelve members, appointed by the General Meeting of Stockholders for one year. There is no plan to stagger the renewal of the terms of office of Supervisory Board members.

The Supervisory Board currently has six members. They were all renewed in 2013 for one year.

The Group does not fulfil the conditions for appointing a member representing the employees pursuant to article L.225-79-1 of the French code of commerce.

There is no lead member of the Supervisory Board.

Each member must hold a minimum of 250 shares in TOUAX SCA.

The status of independent member of the Supervisory Board was discussed by the Supervisory Board in December 2013. The Supervisory Board examined the situation of each of its members and concluded that four of them were independent according to the criteria of the AFEP/MEDEF Corporate Governance Code. The criteria adopted for deciding that two of the members were not independent are explained in section 1.5 below.

This code specifies that a member of the Supervisory Board is independent and disinterested if “he or she has no relationship whatsoever with the company, the Group to which it belongs, or its management, that might compromise the exercise of his or her freedom of judgement”. The definition also includes in particular a time criterion: the member must “not have been a Director or member of the Board for more than twelve years”. The independent members are listed in section 1.5 below.

The members of the Supervisory Board do not belong to the Group's workforce and do not have other duties within the Group.

1.4.2. Rules of procedure of the Supervisory Board

The work of the Supervisory Board is governed by rules of procedure that are intended to complete the laws, regulations and Articles of Association, which the Board and its members do of course respect. The rules of procedure specify the methods of functioning of the Board, in the interests of the company and all of its stockholders, and the functioning of its committee, the members of which belong to the Supervisory Board, to which it entrusts preparatory missions for its work.

These rules are likely to be amended by the Board, in view of changes in the law and regulations, and also in its own method of functioning. The last change was on December 13, 2010 in order to better define the role of the audit committee.

1.4.3. Organization of the Supervisory Board

In accordance with legal provisions and the Articles of Association, the Supervisory Board continually monitors the management of the company.

The work of the Board is organized by its Chairman. Meetings of the Board are held to inspect and control the management and the sincerity of the annual and half-year financial statements closed by the Managing Partners, analyze the budget, review the businesses and check the quality of the press releases regarding results before they are published, as well as whenever they are required by the course of business, or considered necessary by the Board. Specific matters included on the agenda in 2013 were: the presentation of the new strategy for the Modular Building business, the presentation of the development projects of the Shipping Container division, the details of the hybrid capital issue, the annual review of the Committee, professional and pay equality.

The Supervisory Board also discussed the Group's cash position and the company's commitments.

The Chairman:

- receives the documents prepared by the company's internal departments under the authority of the Managing Partners;
- organizes and manages the work of the Supervisory Board;
- ensures that the members of the Board are able to perform their mission, and in particular makes sure that they have the information and documents needed to carry out their mission.

The Supervisory Board is assisted by an Audit Committee, which examined the individual and consolidated financial statements and reported its findings to the Supervisory Board.

The Supervisory Board does not have any other committees. An appointments committee does not appear necessary since most of the Board members are independent and discussions between the members regarding appointments are perfectly satisfactory. A compensation committee has not been set up either, in view of the characteristics of the limited partnership, since the Supervisory Board does not have specific duties regarding the compensation of the Managing Partners.

1.4.4. Functioning of the Supervisory Board

The Supervisory Board is convened by its Chairman or the Management Board subject to two weeks' notice by letter or analyze.

The Board has met five times during the 2013 fiscal year. The attendance rate was 100 %.

Participation of the members of the Supervisory Board at Board meetings in 2013:

member of the Supervisory Board	Number of meetings
Jerôme Bethbeze	5
François SOULET DE BRUGIERE	5
AQUASOURCA	5
Jean-Jacques Ogier	5
Sophie SERVATY	5
Alexandre WALEWSKI	5

The statutory auditors are invited to the meetings of the Supervisory Board that inspect the annual or half-year financial statements.

The regulations regarding insider dealing apply to the members of the company's Supervisory Board.

The members of the Supervisory Board were able to improve their knowledge of the Modular Building business thanks to a presentation by the director.

1.4.5. Assessment of the functioning of the Supervisory Board

In 2011 and 2012, the Board was assessed internally by an evaluation questionnaire concerning the composition of the Board, the passing on of information to members, the frequency and length of the meetings, the subjects dealt with, the quality of the discussions, the work of the Audit Committee and suggested improvements. For 2013, it was decided not to formally evaluate the Board with a questionnaire.

The members of the Board stated that they were satisfied with the improvements in the workings of the Supervisory Board regarding the two main improvement objectives identified in 2012, namely the presentation of their activities by the heads of the operational departments as well as the extension of the advisory period. They encouraged the Management to continue their efforts in this direction.

The Board members consider that they have total freedom of judgement. This freedom of judgement enabled them to take part in the Board's work and collective decisions with total independence. Throughout the year the Supervisory Board received exhaustive, regular and reliable information, sufficiently in advance of the Board meetings.

The Board considers that it is in a position to exercise its supervisory mission in a constructive manner.

1.4.6. Minutes of the meetings of the Supervisory Board

The Supervisory Board appoints a secretary at each meeting. The secretary draws up the minutes of the meeting which are validated by the Chairman and submitted for approval to the next Board meeting. They are then signed by the Chairman and a member of the Board, and included in the minute book.

1.4.7. Compensation of the Supervisory Board

The compensation of the Supervisory Board came to €63,000 in the 2013 fiscal year, in accordance with the level of attendance fees set by the Extraordinary General Meeting of June 11, 2013.

The Ordinary General Meeting of June 11, 2014 will be invited to approve compensation of €63,000 for the 2014 fiscal year.

50% of the directors' attendance fees were allocated as a fixed payment, and 50% was paid according to their actual presence at Board meetings. The Chairman of the Supervisory Board receives double directors' attendance fees. Attendance fees will be allocated to the independent member(s) of the Audit Committee.

1.5. Current terms of office of the members of the Supervisory Board

1.5.1. Alexandre WALEWSKI – Chairman of the Supervisory Board and member of the Audit Committee

Alexandre WALEWSKI	
Date of first appointment within TOUAX	Director from 1977 to June 30, 2005 Chief Executive Officer from July 1977 to December 1997 Member of the Supervisory Board since June 30, 2005 Chairman of the Supervisory Board since September 29, 2005
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	No family relationship with the Managing Partners Holds almost 9% of the capital and voting rights of TOUAX SCA
Member of a Committee	Chairman of the Audit Committee
Mini CV	Alexandre WALEWSKI was the manager of TOUAX Group for 20 years
Age	80 years
Nationality	French
Number of TOUAX shares held at December 31, 2013	551,822 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	None

1.5.2. Jérôme BETHBEZE – member of the Supervisory Board and member of the Audit Committee

Jerôme Bethbeze	
Date of first appointment within TOUAX	Director from June 28, 2004 to June 30, 2005 Member of the Supervisory Board since June 30, 2005
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	Member of the Audit Committee
Mini CV	Jérôme Bethbèze has gained financial expertise, thanks to over 25 years' experience working in financial institutions. For about twenty years he has carried out various management duties in the Quilvest group.
Age	52 years
Nationality	French
Number of TOUAX shares held at December 31, 2013	358 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2009/2010: Chairman of the Board of Directors of Quilvest Gestion Privée, member of the French Society of Financial Analysts (SFAF) Since 2011: CEO of Quilvest Family Office, member of the French Society of Financial Analysts (SFAF).

1.5.3. Jean-Jacques OGIER – member of the Supervisory Board

Jean-Jacques Ogier	
Date of first appointment within TOUAX	As permanent representative of SALVEPAR from June 29, 2007 to June 9, 2009 Member of the Supervisory Board since June 10, 2009
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	No
Mini CV	Jean-Jacques Ogier spent his career at Société Générale, mainly in overseas management positions (Morocco, Hong Kong, USA), in both the retail bank and the investment bank. For two years, he has been the organizational and financial consultant for a project in Russia.
Age	66 years
Nationality	French
Number of TOUAX shares held at December 31, 2013	256 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	None

1.5.4. François SOULET DE BRUGIERE, member of the Supervisory Board

François SOULET DE BRUGIERE	
Date of first appointment within TOUAX	Member of the Supervisory Board since June 18, 2008
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew his term of office for a further year.
Independent director	Yes
Member of a Committee	No
Mini CV	François Soulet de Brugière has spent almost all his career in the shipping industry, and has very extensive knowledge of the issues in this sector.. He has also held management positions for very many years.
Age	60 years
Nationality	French
Number of TOUAX shares held at December 31, 2013	422 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2009: Vice-Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Director of the La Rochelle Business School group, and President of the French Ports Association (UPF) 2010/2011: Vice-Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Director of the La Rochelle Business School group, and President of the French Ports Association (UPF) 2012/2013: Vice-Chairman of the Supervisory Board of the Dunkirk Major Sea Port; Director of the La Rochelle Business School group, and Chairman of the French Ports Association (UPF)

1.5.5. Sophie DEFFOREY-CREPET, representative of AQUASOURCA, member of the Supervisory Board

Sophie DEFFOREY-CREPET	
Date of first appointment within TOUAX	As permanent representative of AQUASOURCA since June 18, 2008
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	Yes
Member of a Committee	No
Mini CV	Sophie Defforey-Crepet worked for almost ten years in advertising at the communications agency RSCG, before joining Valon. In 1998 she set up Aquasourca. She has been the treasurer of the Lyon Chamber of Commerce since 2010.
Age	59 years
Nationality	French
Number of TOUAX shares held at December 31, 2013	89,907 shares held by AQUASOURCA
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2009 to 2012: Chairwoman of Aquasourça and director of GL Events and Chapoutier 2013: Chairman of Aquasourca, non-executive director of GL Events (listed on the Euronext), Polygone SA and Chapoutier

1.5.6. Sophie SERVATY, member of the Supervisory Board

Sophie SERVATY	
Date of first appointment within TOUAX	Member of the Supervisory Board since June 10, 2010
Terms of office and expiry of term of office as member of the Supervisory Board	Period of one year as of the Ordinary General Meeting of 11 of June 2013. Expiry date at the General Meeting of June 11, 2014 called to approve the financial statements for the 2013 fiscal year. That meeting will be asked to renew her term of office for a further year.
Independent director	No linked to the SOFINA group, stockholder holding over 23% of the capital and voting rights of the company
Member of a Committee	No
Mini CV	Sophie Servaty has worked for Deloitte Corporate Finance in Brussels on numerous due diligence investigations, asset valuations and specific projects. Since 2004 Sophie Servaty has held the position of Senior Investment Manager at Sofina, a financial holding company
Age	41 years
Nationality	Belgian
Number of TOUAX shares held at December 31, 2013	256 shares
Directorships, managerial or supervisory positions held in the last five years in other companies (outside the TOUAX Group)	2009/2010: director of Sylve Invest SA, Vives SA, Capital-E NV and Capital-E Arkiv NV 2011: director of Capital-E NV, Capital-E Arkiv NV and Vives SA 2012/2013: Non-executive director of Capital-E NV

1.5.7. Proportion of women on the Supervisory Board

At December 31, 2013, there were two women (including representatives of legal entities) out of a total of six members, i.e. the proportion of women was 33 %. The company already complies with the recommendation of the AFEP/MEDEF for a rate of 20% from 2013, as well as with the law of January 27, 2011 on the representation of women in boards of directors and supervisory boards, which requires at least 20% of women on these boards from 2014.

In order to comply with the regulation of 2016, the Board is planning to appoint a woman with international experience and an international profile.

1.6. The Audit Committee

The Audit Committee was created at the meeting of the Supervisory Board of January 30, 2006. It began its mission by checking the 2005 financial statements.

The Audit Committee has two members, Mr Alexandre WALEWSKI, Chairman of the Supervisory Board, and Mr Jérôme BETHBEZE, member of the Supervisory Board.

Alexandre WALEWSKI was Chairman of the Group for over 20 years and Jérôme BETHBEZE was Chairman of the Board of Directors, and member of the Supervisory Board of Quilvest Gestion Privée, a management company owned by Quilvest Banque Privée, itself a subsidiary of Quilvest, a group specialized in asset management. He is currently Chief Executive Officer of Quilvest Family Office. These members were selected for their financial expertise and their experience of the Group.

In accordance with the criteria specified in the AFEP/MEDEF Code regarding the independence of members of the Supervisory Board, TOUAX notes that the Audit Committee had one independent member, Jérôme BETHBEZE. There is no plan to appoint another independent member since the size of the company and the experience of its members enable the committee to perform its mission correctly.

The Audit Committee met twice in 2013. The attendance rate was 100%.

It dealt with the following matters in particular:

- inspection of the annual and half-year consolidated financial statements for the 2013 fiscal year;
- checking that the accounting and financial reporting process complies with legal and statutory requirements;
- checking the existence of a procedure to identify, analyze and monitor risks, in particular financial risks;
- checking that the internal control procedures are applied and ensuring the reliability of the information;
- examining the Statutory Auditors' annual audit programs;
- examining the main elements of the financial communications.

During its meetings the Audit Committee held discussions in particular with the Statutory Auditors, the Administration and Finance Officer and the Managing Partners. Included in the documents sent is a summary of the internal audit as well as the report of the government auditors on their work. The Audit Committee can have recourse to external advice.

Only independent members of the Audit Committee receive compensation in the form of attendance fees. It should be noted that since the members of the Audit Committee are members of the Supervisory Board, they do not belong to the Group's workforce.

1.7. Methods of participation by stockholders in General Meetings

Participation in the General Meetings is limited to the stockholders of TOUAX SCA, regardless of the number of shares that they hold.

1.7.1. Stockholder credentials

Registered stockholders

Holders of registered shares do not have to carry out any formalities to prove that they are stockholders.

Holders of bearer shares

Holders of bearer shares must prove their ownership by requesting a certificate of stockholder status from their financial intermediary (bank or stockbroker which manages the securities account in which the TOUAX shares are registered). This certificate must be submitted together with an admission card to the TOUAX SCA legal department.

The shares must have been registered or the certificate submitted no later than midnight (Paris time) three working days before the date of the meeting.

Proof of identity must be shown on entering the General Meeting.

1.7.2. Voting rights

Stockholders may exercise their voting rights in one of four ways:

- **by attending the General Meeting in person** : an admission card must be requested from the Company Secretary's depart¬ment of TOUAX SCA. If, however, this admission card is not received in time, holders of bearer shares may nevertheless attend the meeting provided that they present a certificate of stockholder status issued by the intermediary holding the account within the three days preceding the General Meeting;
- giving proxy to the Chairman of the Meeting;
- **giving proxy to any person of their choice** (spouse, partner with whom a civil solidarity pact has been concluded, another TOUAX SCA stockholder or any other physical person or legal entity of their choice);
- **by postal vote.**

For those unable to attend the General Meeting in person, a single form for postal or proxy voting is available to stockholders on request by registered letter with acknowledgement of receipt received at the registered office at least six days before the meeting.

To be valid this form must be filled in, signed, and have reached the registered office at least three days before the meeting. Owners of bearer shares must enclose their certificate of stockholder status with the form.

However, if the sale of securities takes place before 0.00 a.m. CET on the third working day preceding the Meeting, the company will invalidate or modify accordingly, depending on the case, the postal vote, the proxy, the admission card or the certificate of participation. For this purpose, the authorized intermediary holding the account will notify the company of the sale and give it the necessary information. If the shares are sold after that time, the certificate of stockholder status will remain valid, and the assignor's vote will be counted.

2. Internal control

Following publication by the French Financial Markets Authority (AMF) of its guidelines for internal control, the TOUAX Group specified and set up procedures in order to implement these recommendations. TOUAX applies the guidelines for mid caps and small caps published by the AMF in July 2010.

2.1. Organization of internal control

2.1.1. Definition

The internal control procedure is defined and implemented by the company, and aims to ensure:

- compliance with applicable laws and regulations,
- application of the instructions and policies set by the Senior Management,
- that its internal processes work properly, particularly those that concern the preservation and security of its assets,
- that financial information is reliable,

and more generally, internal control is a system that helps to control its businesses and enhances the efficiency of its operations and use of its resources.

2.1.2. Internal control objectives of the company

The company's internal control procedures are intended to ensure that:

- the administrative acts, performance of operations and behavior of the staff comply with the company's business policies defined by the corporate bodies, applicable laws and regulations, and the values, standards and internal procedures of the company;
- the accounting, financial and management information communicated to the corporate bodies gives a true and fair view of the company's activity and situation.
- The procedures ensure compliance with management policies, the preservation and security of assets, prevention and detection of fraud and errors, the reality and exhaustiveness of accounting records, and the establishing of reliable accounting and financial information within the time allowed.

The company's internal control system cannot totally guarantee that the objectives set will be achieved, since no procedure is infallible.

2.1.3. Components of internal control

The main internal control policies are determined according to the company's objectives.

The Group's objectives are defined by the Managing Partners. They concern not only its economic performance but also the areas in which the Group aims to achieve a particular level of excellence.

These objectives are specified for each entity and are clearly explained to the employees so that they understand and adhere to the organization's risk and control policy.

The main components of the internal control system are: (i) organization, (ii) the information system, (iii) risk management, (iv) inspection operations and internal rules, and (v) constant monitoring of procedures.

The internal control system put in place by the senior management is in line with the Group's strategy and organization. The system is supported by the operational and functional departments whose mission is to make it known within the organization.

2.1.4. Scope of internal control

The system of internal control put in place by the company is appropriate for its size.

TOUAX SCA makes sure that this system is applied by its subsidiaries. This system is suited to their characteristics and to the relations between the parent company and its subsidiaries.

2.1.5. Players involved in internal control

Internal control concerns everyone within the company, from the management bodies to each member of staff.

Management Board

The Management Board defines, promotes and supervises the internal control system that is the best suited to the Group's situation and business.

In this connection, the Managing Partners keep themselves regularly informed of any malfunctions, inadequacies or implementation difficulties and ensure that the necessary corrective action is taken. The management informs the Supervisory Board of any important points.

Supervisory Board

It is the responsibility of the management to given an account to the Board of the essential features of the internal control system.

The Board may use its general powers to carry out the controls and checks that it considers fit, and to take any other action it considers appropriate in this respect.

An Audit Committee has been formed within the Supervisory Board, which monitors the process of drawing up financial data and makes sure that there is an internal control system that is coherent and compatible with the Group's strategy and risks and carries out a review of the different internal audit assignments and its results. The Audit Committee reports on its work to the Supervisory Board.

Internal audit

The operational divisions are wholly responsible for the use of the system within their remit and its proper functioning. The functioning and effectiveness of the internal control system is assessed by the financial controllers in each division based on requests by the management. Furthermore there is an internal audit department whose mission is to constantly monitor the internal control system in order to ensure that the internal control rules are applied and produce the results obtained

The internal audit department helps the Management Board and the Supervisory Board regarding the level of efficiency of the Group's internal control system. A summary report that includes a summary of the risk situation and any relevant recommendations is systematically drawn up as part of internal audit assignments. The improvement plans of the internal control system are carried out by the business departments following these assignments and are regularly monitored by the internal audit.

Company employees

All employees have the knowledge and information required for setting up, operating and monitoring the internal control system at their level of responsibility, according to the targets they are set.

2.2. Identification of risks

One risk is the possibility that an event may occur whose consequences could affect persons, assets, the environment, the company's targets or its reputation.

To safeguard its future development and the achievement of its targets, the Group makes sure that it identifies, evaluates and manages comprehensively the risks to which it is exposed related to its various areas of activity, processes and assets.

The aims of risk management are to:

- create and safeguard the value and reputation of the Group,
- secure the Group's decision-making and procedures,
- ensure that the Group's actions are consistent with its values,
- mobilize the Group's employees around a common vision of the main risks.

These risks are identified in the chapter on 4 Risk factors, page 21 of the reference document. One or more of these risks, or other risks not yet identified or considered as immaterial by TOUAX, could have an adverse effect on the its business, financial situation, profits or share price.

An internal mapping of the risks is put together and monitored with the aim of covering all of the Group's exposure and organizing the way in which its risks are managed. Risk mapping is provided by the Group's finance department with the help of the Managing Partners, the business directors and the internal audit department.

2.3. Risk control

Risk management aims to identify and limit risks to the company's assets, resources, personnel, continued existence, profitability, reputation and its values in the broad sense of the term.

The risk management activities are implemented on a daily basis by all members of staff, while performing their duties.

The Administration and Finance Department is in charge of risk management and coordinates this general system of risk management and control.

Financial and accounting risks

The financial risks are market risks (interest rate and foreign exchange risks), liquidity and/or counterparty risk, and equity price risk. They are managed by the Group's Administration and Finance Department.

The aim of the Administration and Finance Department is to rapidly produce accounting and financial information that is reliable and pertinent, pass on this information, monitor risk, in particular financial, operational and counterparty risks, put in place administrative, accounting and financial procedures, provide legal and fiscal monitoring of the Group, consolidate the accounts and respect the applicable rules and the accounting standards, implement the Group's financial policy and provide cash management.

Managing financial risk is an integral part of managing the Group. To monitor this financial and accounting risks more effectively and optimize internal control, the Administration and Finance Department is now divided into four financial business units (shipping containers, modular buildings, river barges and railcars) and of four corporate units (holdings, financing & cash, reporting & consolidation, financial, legal & fiscal communications). This method of organization makes it possible to combine business and technical expertise and as a result to assess risks more effectively.

All the financial files are managed in a centralized manner by the Treasury and Finance Department attached to the Administration and Finance Department which monitors and checks the information daily. This information is passed on to the Executive Committee. The Treasury and Finance Department puts in place the means needed to limit financial risks.

Other risks

Responsibility for monitoring risks is delegated to the various operational and functional departments who implement risk management at the operational level. The operational and functional departments are accountable for the risks inherent in their businesses and give an account to the senior management of the risks identified and the action plans put in place to reduce their exposure. The Group's Administration and Finance Department and the internal audit department are involved in the management and control of these risks.

2.4. Management and supervision of the internal control system

2.4.1. Overall organization of internal control

Internal control is based on formalized procedures, the information systems, and the competence and training of the staff.
The primary cycles covered by the internal control system are income and trade accounts receivable, expenses and trade accounts payable, tangible assets, cash and financing. The secondary cycles are inventory and employees/payroll.

2.4.2. Role of the finance departments

One of the missions of the operational finance departments (shipping containers, modular buildings, freight railcars and river barges) and the corporate finance departments (holding company, financing etc.) is to monitor risk mapping, manage administrative and accounting procedures, and periodically report on financial information.

The role of the internal audit department is part of a process of continuous improvement of internal control and mainly involves auditing the procedures in place, checking the implementation of the Group's internal control standards and recommending improvements for reducing risks.

The internal audit department complies with current professional standards (of the French Institute of Auditing and Internal Control - IFACI) and the existing internal control benchmarks (COSO) and its approach is governed by an internal audit charter.

2.4.3. Limits of internal control and risk management

Even if it is designed and applied with great care, the internal control and risk management system can never totally guarantee that the objectives will be achieved. There are inherent limits to any internal control system, such as the uncertainty of the external environment and the use of judgement or malfunctions that can arise due to technical faults or human error.

Furthermore, it is necessary to take into account the cost-benefit ratio when introducing the controls, and not to develop internal control systems that are unnecessarily expensive even if this means accepting a certain level of risk.

2.4.4. General description of the control procedures

Income and trade accounts receivable

The main objectives are to verify the reality of the income, the valuation of trade accounts receivable and the exhaustiveness of the cash inflows and to monitor counterparty risk.

To achieve these objectives, the Senior Management has set up the following method of organization:

- Operating Department: This department is separate from the sales and marketing departments and is mainly responsible for processing and monitoring of the filling of customer orders,
- Trade Credit Department: This department reports to the Administration and Finance Department, and is consulted before an order is processed. It is responsible for dealing with disputes. It draws up the invoices on the basis of information entered in the information system by the Operating Department. The invoices are recorded in the accounts via an automatic and integrated system.

The basic principles of the income-trade accounts receivable cycle are:

- systematic existence of leases entered in the information system,
- integration of the management and invoicing system with the accounting system,
- segregation of duties between the credit department, the operational departments and the cash department,
- the regular supervision of trade credit (DSO – Days Sales Outstanding) by the senior management.

Charges and trade accounts payable

The main objectives are to check that orders are complete, the deliveries comply with the orders, the charges are exhaustive, the trade accounts payable are properly valued and the payments really exist.

It is organized as follows:

- Operating Department: initiates the order; issues Purchase Requests subject to strict limits set by the management. Takes delivery of orders once they are approved and makes sure that the deliveries comply with the orders.

- Operations management: Validates purchase requests which are converted into purchase orders. Negotiates prices, chooses suppliers and monitors terms of sale.
- Divisional Operational Department: Responsible for systematic control and approval of invoices.
- Accounts Department: Enters the invoices based on the purchase orders and prepares payments which are approved by the senior management.

The basic principles of the charges-trade accounts payable cycle are:

- the implementation of approval thresholds for orders, which must be followed,
- The separation of tasks between initiators and the approvers for each order,
- checking the delivery slips, work acceptance reports, waybills and invoices against the purchase orders,
- systematic control of invoices by the Divisional Operational Department,
- centralization of payments by the senior management.

Tangible Assets

The main objective is the protection of the Group's assets.

The company periodically conducts inventories in collaboration with the operational departments and the administrative and finance departments. Differences are analyzed, justified and presented to the senior management.

Cash

The objectives are the same as those of the other cycles. They are mainly achieved through strict segregation of duties and the involvement of the senior management.

The main features of internal control for the cash-financing cycle are:

- centralized management of cash flows through monthly monitoring of cash flows,
- monitoring of authorizations, delegations of signature and other bank commitments,
- regular assessment and forecasting of cash requirements.

2.4.5. General description of the procedures for preparing and processing financial and accounting information

Administrative and accounting procedures are in place to ensure that transactions recognized meet the objectives regarding the true and fair nature of the annual financial statements. These procedures are an integral part of the internal control system described above.

These control procedures are based on:

- an integrated management and accounting system (use of a reporting package with uniform accounting methods approved by the consolidation department),
- segregation of duties so far as department size allows,
- supervision and control by operational and functional departments and the senior management.

All financial and accounting information is reported each month to the consolidation department, which checks the consistency of the flows and the methods used. Management control checks the consistency of the data and monitors it. The results are consolidated each month, and full consolidation is carried out each quarter. The reporting, consolidation and budgetary monitoring procedures put in place are aimed at ensuring compliance with the accounting principles applied by the Group and consolidation of incidental data needed to draw up the reference document.

Monthly monitoring of the results and commitments of the subsidiaries and the Group enables the senior management to check the financial effects of the business strategies pursued, and to compare the results with the Group's budgetary commitments and business plan.

It should be noted that the subsidiaries are regularly visited by the departments (senior management, finance department, operational departments) so as to ensure that the Group's procedures are properly monitored.

The Administration and Finance Department and Senior Management are responsible for the whole of the financial communications process. The consolidation and financial communications departments produce the information needed for financial communications.

2.4.6. Assessment of internal control

Internal control procedures and those related to the drawing up of accounting and financial data are continually identified, assessed and managed and did not change significantly in 2013.

Internal control is currently assessed by the various reviews of the Group's and subsidiaries' financial statements conducted for each business through internal meeting and the Audit Committee, as well as by one-off internal audits. Actions plans to reduce risks have been drawn up for the risks identified during these assessments, and these risks will be audited again in 2014.

La Défense, March 26, 2014

Alexandre WALEWSKI

Chairman of the Supervisory Board

27.3. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD REGARDING INTERNAL CONTROL PROCEDURES RELATING TO THE DRAWING UP AND PROCESSING OF ACCOUNTING AND FINANCIAL DATA

Year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of Touax and in accordance with Article

L. 226-10-1 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with the provisions of the aforesaid Article for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article

L. 226-10-1 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article 226-10-1 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information provided on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Supervisory Board's report, prepared in accordance with Article L. 226-10-1 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 226-10-1 of the French Commercial Code.

Paris and Neuilly-sur-Seine, March 28, 2014

The Statutory Auditors

LEGUIDE NAÏM & ASSOCIES	DELOITTE & ASSOCIES
Charles LEGUIDE	Alain PENANGUER

28. RECENTLY RELEASED INFORMATION

28.1. PRESS RELEASE OF FEBRUARY 13, 2014

2013 revenues of € 349.3 million

Consolidated revenue for Q4 2013: +15 %

ANALYSIS OF THE REVENUE

The consolidated revenue for 2013 was €349.3 million compared with €358 million in 2012, down 2.4% (-1.9 % at constant exchange rates and excluding changes in the consolidation perimeter).

Revenue by type *(Unaudited consolidated data, in thousands of euros)*	Q1 2013	Q2 2013	Q3 2013	Q4 2013	TOTAL	Q1 2012	Q2 2012	Q3 2012	Q4 2012	TOTAL
Leasing revenue (1)	51,407	53,042	51,657	49,997	206,103	51,349	55,973	57,682	54,030	219,034
Sales of equipment	8,251	47,555	25,353	62,001	143,160	31,783	48,130	15,474	43,565	138,952
Consolidated revenue	**59,658**	**100,597**	**77,010**	**111,998**	**349,262**	**83,132**	**104,103**	**73,157**	**97,594**	**357,986**

Leasing revenue presented here includes ancillary services.

The leasing revenue fell by 5.9% (-4.5% at constant exchange rates and excluding changes in the consolidation perimeter) to €206 million compared with €219 million in 2012, but the sales revenue achieved in 2013 rose by 3% (2.2% at constant exchange rates and excluding changes in the consolidation perimeter) to €143 million compared with €139 million.

The leasing revenue fell mainly due to low levels of business in Europe in the Modular Buildings division and the reduction in the fleet of railcars under management. The leasing business of the Shipping Containers and River Barges divisions increased in 2013.

Sales rose by 3% due to syndications in the 4th quarter in the Shipping Containers division, in spite of a fall in sales of modular buildings and river barges compared with 2012. Sales of shipping containers increased thanks to the dynamism of the market in a context of growth in global flows.

Business was up 14.8% in Q4 2013 compared with Q4 2012.

Analysis of the contribution of the four Group divisions

Revenue by division *Unaudited consolidated data (in thousands of euros)*	Q1 2013	Q2 2013	Q3 2013	Q4 2013	TOTAL	Q1 2012	Q2 2012	Q3 2012	Q4 2012	TOTAL
Leasing revenue (1)	21,786	21,559	21,797	22,656	87,798	20,222	21,518	23,323	22,281	87,344
Sales of equipment	2,851	33,968	16,426	47,401	100,646	22,466	27,749	3,990	32,153	86,358
Shipping containers	24,637	55,526	38,224	70,057	188,443	42,688	49,268	27,312	54,434	173,702
Leasing revenue (1)	17,094	19,180	17,347	16,629	70,250	17,844	21,015	21,203	18,823	78,885
Sales of equipment	5,108	8,710	5,303	13,604	32,725	9,125	9,810	9,463	9,329	37,727
Modular buildings	22,202	27,890	22,650	30,234	102,976	26,969	30,825	30,666	28,152	116,611
Leasing revenue (1)	3,977	3,600	4,054	3,289	14,920	4,104	3,585	3,517	3,509	14,715
Sales of equipment	59	4,692	3,459	668	8,878	2	8,151	1,718	1,248	11,119
River barges	4,036	8,292	7,513	3,957	23,797	4,106	11,736	5,235	4,757	25,834
Leasing revenue (1)	8,542	8,661	8,521	8,350	34,074	9,158	9,826	9,614	9,279	37,877
Sales of equipment and misc.	233	185	164	328	910	190	2,420	304	835	3,749
Freight railcars	8,775	8,846	8,685	8,678	34,984	9,348	12,245	9,918	10,114	41,626
Miscellaneous and unallocated	8	43	(62)	(928)	(999)	20	30	26	137	213
Consolidated revenue	**59,658**	**100,597**	**77,010**	**111,998**	**349,262**	**83,132**	**104,103**	**73,157**	**97,594**	**357,986**

Leasing revenue presented here includes ancillary services.

Shipping containers: The revenue of the shipping containers division amounted to €188.4 million, up 8.5% at the end of 2013 thanks to syndications and sales during the year and in spite of an unfavorable currency effect (+11.6% in constant dollars). Leasing revenues were stable at €87.8 million, up 2.8 % in constant dollars. The increase in the managed fleet made it possible to offset the slight decline in leasing prices. The utilization rate was 93% on average in 2013. Sales of containers proved highly dynamic in the 4th quarter with €47.4 million in syndications and sales of used containers.

Modular buildings: The division's revenue amounted to €103 million (-11.7%). Excluding changes in the exchange rate and consolidation perimeter, revenue fell by 16.2%. Overall, the leasing business was down by 10.9%, penalized by the very weak economic situation in Europe (decline in building and investments by companies and authorities), with a fall in utilization rates and daily prices in 2013 compared with 2012. Equipment sales were down by 13.3% at €32.7 million at 31 December 2013, in view of the Group's desire to refocus on less complex and more profitable sales, particularly in France. On the other hand, sales in Africa are dynamic and represent 28% of the division's sales revenue.

River barges: The division’s revenue amounted to €23.8 million (down 7.9%) due to fewer sales than in 2012. Leasing revenues continued to increase due to the bringing into service of new barges in South America and in spite of the sale of barges in the USA. Business in the Rhine basin suffered due to the difficult economic situation. Revenue outside Europe represented 39% of the division's revenue at the end of December 2013.

Freight railcars: The division's revenue was down 16% at €35 million, compared with the end of December 2012. Leasing revenues fell mainly due to a reduction in the managed fleet of about 10% at the start of 2013 when a customer exercised an option to purchase. There were no syndications in 2013.

2013 RESULTS

TOUAX should show an operating result before tax and extraordinary items close to balance at the end of 2013. On the other hand, the Group will publish a net loss in 2013, resulting among other things from the restructuring introduced in the modular buildings business, with for France the discontinuation of production and impairment of assets.

Regarding its balance sheet, the Group noted an increase in shareholders' equity, a reduction in indebtedness, and compliance with bank ratios. The Group will publish its results at the close of trading on 27 March.

"The exceptional measures introduced to turn around the modular business had a negative impact on the 2013 accounts, but will favor a rapid recovery. The redeployment strategy aimed at high-potential zones and with the financial backing of third-party investors should enable a return to progressive growth from the second half of 2014" state Fabrice and Raphaël WALEWSKI, Managing Partners of TOUAX SCA.

OUTLOOK

Shipping containers: Forecasts for growth in container transport amount are up compared to 2013 at 6% in 2014 and 7% in 2015, according to Clarkson Research (January 2014). Demand for new containers should therefore remain high in 2014. Stocks of containers in China fell in the second half of 2013. Shipping companies continue to focus on their core business and are outsourcing their container fleets, enabling the Group to take advantage of investment and leasing opportunities.

Modular buildings: The Group does not anticipate a substantial improvement in its results in Europe in the short term, and continued the implementation of its reduction plans to adapt to demand. However, TOUAX notes a recovery in business in certain countries since the final quarter of 2013, in particular in Poland, and the Group's foothold in Africa enables it to develop export sales.

River barges: The leasing business continues to develop in South America where TOUAX is the market leader for river barge leasing. The business in Europe is slightly improving.

Freight railcars: Given the low level of investment by the sector in Europe since 2009, the Group anticipates a return of the demand for freight railcars over the next two years. It has recently achieved commercial successes and continues to develop its international leasing offers.

Given the demand for tangible assets that is not linked to the financial markets and offer recurrent profitability, the Group will mainly finance its growth via third-party investors, leading to a reduction in indebtedness and increasing its future capacities.

Due to its diversified and international activities, the Group expects to benefit from the worldwide economic recovery.

28.2. PRESS RELEASE OF MARCH 27, 2014

Profit before tax reaches break-even point, excluding impairments of assets and restructuring provisions totaling €13.3m

Net result (Group's share): -€15.3m

8% reduction in indebtedness

7% increase in shareholders' equity

Main consolidated figures (in € million - IFRS)	2013	2012	variation 2013-2012
Revenue	349.3	358.0	-2.4%
including Shipping containers	188.4	173.7	8.5%
Modular buildings	103.0	116.6	-11.7%
River barges	23.8	25.8	-7.8%
Freight railcars	35.0	41.6	-15.9%
Miscellaneous and unallocated	-0.9	0.2	
Gross operating margin - EBITDAR (1)	102.5	118.3	-13.3%
EBITDA (2)	50.9	61.8	-17.6%
Operating income	7.3	29.0	-74.9%
Profit before tax	-13.0	11.5	-213.0%
Consolidated net profit (loss) (Group's share)	-15.3	9.1	-267.3%
Net earnings per share (€)	-2.63	1.60	-264.4%
Total non-current assets	562.8	563.8	-0.2%
Total assets	744.6	776.1	-4.1%
Total shareholders' equity	184.4	173.0	6.6%
Net bank borrowing (3)	399.6	432.6	-7.6%

(1) The EBITDAR (earnings before interest taxes depreciation and amortization and rent) calculated by the Group corresponds to the current operating income, increased by depreciation charges and provisions for capital assets and distributions to investors

(2) EBITDA: EBITDAR after deducting distributions to investors

(3) Including €177 million in debt without recourse in 2013

The consolidated accounts on 31 December 2013 were approved by the Management Board on 26 March 2014 and were audited by the statutory auditors. The audit reports are in the process of being issued.

2013

2013 was marked by a weak economic context in Europe (apart from Germany) which negatively impacted the Modular Buildings activity, making it necessary to adapt the production capacities. This adjustment led to closure and restructuring costs as well as impairment of assets. The dynamism of the Shipping Containers activity was not enough to offset the weakness of business in Europe. Impairment of assets and restructuring provisions were recognized for a total of €13.3 million.

The consolidated revenue for 2013 amounted to €349.3 million compared with €358 million in 2012, i.e. a fall of 2.4% (-1.9% at constant exchange rates and excluding changes in the consolidation perimeter).

Leasing and sale of shipping containers were very dynamic in 2013 in a context of sustained competition and growth in global flows. On the other hand, the Modular Buildings and to a lesser extent the Freight Railcars businesses which are mainly European, suffered the effects of the difficult economic context.

Excluding changes in the exchange rate, the assets managed increased by 3%. In total, at the end of 2013 the Group managed assets worth €1.6 billion, which it leases to over 5,000 customers. Proprietary assets represented 46% of total assets managed.

The EBITDAR fell by 13.3%, mainly due to a reduction in the profitability of the Modular Buildings activity and fewer sales of barges. As a result, the EBITDA fell by 17.6% to €50.9 million.

The operating income amounted to €7.3 million at 31 December 2013 compared with €29 million at the end of 2012.

Due to the economic context, in 2013 the Group started to restructure the Modular Buildings business in France, discontinuing production. For the same reasons, the Group also recorded impairments of assets for the Modular Buildings activity. These entries have no impact on cash.

Before these exceptional items, the profit before tax amounted to €0.3 million.

These exceptional items had a negative impact on the Group's net income, which amounted to a loss of €15.3 million in 2013, down compared with a profit of €9.1 million in 2012.

IMPROVED FINANCIAL SITUATION

The Group's net indebtedness to banks amounted to €399.6 million compared with €432.6 million in 2012, down 8%. This reduction is due to a fall in proprietary investment, sales of assets and an issue of hybrid capital.

TOUAX made net proprietary investments totaling €40 million in 2013. The average rate of the gross financial debt at December 31, 2013 was slightly up on 2012 at 3.85% (3.66% at December 31, 2012). TOUAX had €48 million in available lines of credit at December 31, 2013.

The Group's consolidated shareholders' equity increased from €173 million to €184.4 million (+7%).

In 2013 the Group diversified its sources of financing by issuing hybrid capital (undated deeply subordinated securities) totaling €32.8 million.

The gearing with recourse (the consolidated debt/equity ratio excluding non-recourse debt) was 1.20. The leverage ratio with recourse (ratio of financial debt with recourse to annual EBITDA) was 4.24. All the ratios were respected.

DIVIDEND PROPOSED: €0.50 PER SHARE

The Management Board will propose to the General Meeting of Shareholders on 11 June to set the amount of the dividend for 2013 at €0.50 per share. Given that an interim dividend of €0.25 was paid in January 2014, there will be a final dividend of €0.25 in July 2014.

TOUAX'S PRIORITIES

The Group's free cash flow* was positive, increasing from -€22.6 million in 2012 to +€25.3 million in 2013. The Group intends to continue to increase its free cash flow by the following means:

- sales of non-strategic or non-leased assets,
- financing of growth mainly by third-party investors, and
- improvement in the utilization rates and optimization of costs

* The free cash flow is the cash flow from operating activities, after investments and changes in the working capital requirement.

OUTLOOK FOR 2014

Shipping containers: Forecasts for growth in containerized traffic remain good (+6% in 2014 according to Clarkson Research Services Ltd). The performance of the business will be positive in 2014, but below the exceptional performance achieved in 2013.

Modular buildings: Since it is mainly based in Europe, the division will only improve gradually and remain below the break-even point in 2014. At the same time the Group is working on its growth drivers and intends to develop its presence in Africa and South America.

Freight railcars: There was a slight improvement in rail freight transport in Europe in 2014. Demand for freight railcars could rise given the low levels of investment by the sector since 2009 which will need to be redressed.

River barges: The adaptations introduced in recent years should enable the division to achieve a high utilization rate in 2014. Demand for river barges in South America remains high.

Fabrice and Raphaël WALEWSKI, the Managing Partners, state that "although the modular buildings leasing business will continue to have a negative impact in 2014, the TOUAX Group plans to further increase its free cash flow in 2014".

28.3. PRESENTATION OF THE OUTLOOK GIVEN AT THE SFAF MEETING ON APRIL 2, 2014

Section 6 Business Overview, section 12.1 of section 12 Known Trends, and expected changes described in the management report on page 96 are completed by the following information presented on announcement of the Group's annual results:

In the short term, the Group's strategy is to continue growth in its free cash flow:

- by increasing its fleet of shipping containers, mainly by third parties financing. TOUAX will continue to make transactions of sale and leaseback or trading in 2014;
- by pursuing the adjustment of the Modular Building business by saving cost and lowering the break-even point of its assembly centres. The Group aims to improve the EBITDA by selling second-hand assets and by gradually improving both utilization rate and/or leasing rate, which will contribute to reduce the debt;
- by the growth in barges' utilization rate and the development in South America. The Group is positioning itself in long-term leasing agreements with leading global industrials and will continue to grow its sales and trading in inland waterway assets. Growth will be financed by third parties investors;
- by the growth in freight railcars' utilization rates thanks to the demand of industrial clients. Growth will be financed by third parties investors. The Group expects its first investments in Asia in 2014.

In the medium term the Group also plans to obtain a significant global position in each division by strengthening its economies of scale:

- The objective of the Shipping Containers division is to expand in order to increase its global market share from 3.8% to 7%, with a fleet under management of 800,000 containers compared with about 602,000 at the end of 2013. In a context of growth of global trade of 3.6 % in 2014 estimated by IMF, of which 4.9% by the emerging and developing countries, the Group expects utilization rates to remain at a high level.
- The objective of the Modular Buildings division is to restore a normalized profitability, mainly in Europe. The development of the Group in Africa as well as in South

America is a key development area thanks to the demand for site facilities, low-cost accommodation and modular buildings for companies and local authorities.

- The objective of the River Barges division is to develop new markets, particularly in South America. High demand from emerging countries for raw materials and agricultural products and the needs of renewal of old fleet in Europe, confirm the Group's aims to double its fleet in particular in South America and to increase its sales revenue;
- The objective of the Freight Railcars division is to expand in order to manage more than 15,000 railcars with 10,000 in Europe and 5,000 in Asia and the USA. The European average age of the fleet being old, there is a market need for replacement of the existing fleet. The trains in use are also increasingly used for longer distances, making rail transport more efficient and competitive than road transport.

29. DRAFT OF RESOLUTIONS

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON 11 JUNE 2014

On first notice of meeting, the Ordinary General Meeting can only validly proceed if the shareholders present in person or by proxy hold at least one fifth of the shares to which voting rights are attached. Motions pass by simple majority of votes cast.

FIRST RESOLUTION (APPROVAL OF THE FINANCIAL STATEMENTS OF THE FISCAL YEAR 2013)

The General Meeting, after taking note of the reports of the Management Board, the Supervisory Board, the Chairman of the Supervisory Board, and the Statutory Auditors on the fiscal year ended December 31, 2013, hereby approves the annual financial statements for the fiscal year ended December 31, 2013, as presented to the Meeting, showing a net income of €2,716,258.77.

The General Meeting approves the expenses and charges not deductible from profits as specified in Article 39-4 of the General Tax Code amounting to €1,663, as well as a tax saving of €154,056 resulting from the fiscal integration.

SECOND RESOLUTION (APPROVAL OF THE CONSOLIDATED STATEMENTS OF THE FISCAL YEAR 2013)

The General Meeting, after taking note of the reports of the Management Board, the Supervisory Board, the Chairman of the Supervisory Board and the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended December 31, 2013, as presented to the Meeting, as well as the transactions reflected in these statements showing a Group's loss of €15,303,395.

THIRD RESOLUTION (DISCHARGE)

The General Meeting grants discharge to the Management Board, the Supervisory Board and the Statutory Auditors for the performance of their mandates for the 2013 fiscal year.

FOURTH RESOLUTION (ALLOCATION OF NET PROFIT AND DISTRIBUTION OF DIVIDEND)

The General Meeting, approving the recommendation of the Management Board, decides to allocate and appropriate the distributable profit as follows:

Net profit of the 2013 fiscal year	2,716,258.77 €
Less General Partners' statutory compensation	-508,610.73 €
Less the allocation for the legal reserve	-135,812.94 €
Increased by the positive retained earnings	1,205,907.69 €
For a total of distributable profit of	**3,277,742.79 €**
Distribution of a total amount of €0.5 per share, given that	
- an interim dividend of €0.25 has been paid out for	1,469,730.25 €
- an additional dividend of €0.25 is set tup at	1,558,548.50 €
i.e representing a total distribution of	3,028,278.75 €
Allocation of the balance to the retained earnings	249,464.04 €

The General Meeting sets the net dividend for the 2013 fiscal year at €0.5 per share. As a result of the distribution of an interim dividend of €0.25 per share on January 15, 2014, an additional dividend of €0.25 will be paid.

The maximum number of shares giving entitlement to the dividend for the 2013 fiscal year, i.e. shares with dividend rights on January 1, 2014, came to 6,234,194 shares, i.e. the number of shares which made up the capital of the company on December 31, 2013, i.e. 5,883,773 shares, increased by the maximum number of shares liable to be created by exercising the redeemable stock warrants issued by the company, up to the coupon clipping date.

The dividend associated with the shares which had not been created on the day of the Meeting as a result of the redeemable stock warrants not being exercised as well as the treasury stock, will be carried forward in the accounts for the relevant part.

The balance of the dividend will be detached on 4 July 2014 (0:00 am) and paid on 9 July 2014.

The dividend qualifies for the 40% exemption provided for under Article 158-3 of the General Tax Code for physical persons liable for income tax in France.

In accordance with Article 243-bis of the General Tax Code, the General Meeting notes that the dividends distributed for the three previous fiscal years were as follows:

Fiscal year (in euro)	General partners's statutory compensation	nature of the dividend*	dividend per share	number of dividend-bearing shares	TOTAL of the distribution
2010		interim	0.50	5,691,522	2,845,761
	935,798	additional	0.50	5,697,901	3,784,749
		TOTAL	**1.00**		**6,630,510**
		interim	0.50	5,735,033	2,867,517
2011	980,515	additional	0.50	5,712,507	3,836,769
		TOTAL	**1.00**		**6,704,285**
		interim	0.50	5,735,033	2,867,517
2012	892,151	additional			892,151
		TOTAL	**0.50**		**3,759,667**

* dividend qualifying for the 40% exemption provided for under Article 158-3 of the General Tax Code for physical persons liable for income tax in France

FIFTH RESOLUTION (OPTION FOR THE PAYMENT OF INTERIM DIVIDENDS IN CASH OR IN SHARES)

FIFTH RESOLUTION (option for the payment of interim dividends in cash or in shares)

The General Meeting, after taking note of the Management Board report and in accordance with article 20.1 of the articles of association, noting that the capital is fully paid-up, decides to grant each shareholder for each interim dividend which could be decided by the Management Board, in accordance with article L.232-12 of the French Commercial Code, the possibility of opting for the payment in shares of all or part of the amount of the interim dividend net of any mandatory deduction due for the shares they own.

In accordance with article L.232-19 of the Commercial Code, in the event of this option being exercised, new shares will be issued at a price equal to 100% of the average of the opening price of the Company's share on the NYSE Euronext Paris market during the twenty stock market sessions preceding the day of the decision to distribute the interim dividend minus the amount net of the interim dividend.

Each shareholder will be able to opt for one of the two payment methods for each interim dividend.

If the amount of the interim net dividend for which the shareholder has exercised the option does not correspond to a whole number of shares, the shareholder will be able to:

- either obtain the whole number of shares immediately below, plus a balancing cash amount on the date of the exercise of the option,
- or obtain the number of shares immediately above, by paying the difference in cash.

The shareholders who would like to opt for the payment of the interim dividend in shares have a maximum of 2 months after the decision to distribute each interim dividend to make the request with the registered financial intermediaries. Consequently, any shareholder who has not opted in favour of the payment in shares by the end of the period will receive the interim dividend payment in cash.

For shareholders who opt for a payment in cash, the sums due to them will be paid after the aforementioned time-frame and set by the Management Board. The delivery of the new shares for the shareholders who have opted for the payment of the interim dividend in shares will occur after the aforementioned time-frame and on the date set by the Management Board.

The General Meeting gives the Management Board all powers to implement this resolution, with the power to delegate under statutory conditions, with the effect of setting the shareholders' decision period, taking all measures and carrying out all operations linked to or following the exercise of the option, carrying out any formalities related to the issue and listing of the shares, for ensuring successful completion and the financial servicing of the shares, for registering the number of shares issued, for carrying out the capital increase, consequently modifying the articles of association and carrying out communication formalities.

SIXTH RESOLUTION (RELATED PARTY AGREEMENTS)

The General Meeting, after taking note of the special report of the Statutory Auditors on the related party agreements specified in articles L. 226- 10 of the French Commercial Code, takes notes of the report and approved the regulated party agreements described in the said report.

SEVENTH RESOLUTION (ATTENDANCE'S FEES)

The General Meeting sets the total amount of the annual attendance' fees for the Supervisory Board at €63,000.

This decision applies to the current financial period, and shall continue in effect until countermanded.

EIGHTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Alexandre WALEWSKI's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

NINETH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Jean-Jacques OGIER's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

TENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. Jérôme BETHBEZE's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

ELEVENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mr. François SOULET de BRUGIERE's membership of the Supervisory Board expires at the end of the current General Meeting, renews him for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

TWELFTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that the term of office of AQUASOURCA, represented by Ms. Sophie Defforey-Crepet, as member of the Supervisory Board expires at the end of the current General Meeting, renews it for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

THIRTEENTH RESOLUTION (RENEWAL OF A MEMBER OF THE SUPERVISORY BOARD)

The General Meeting, noting that Mrs Sophie Servaty's term of office as member of the Supervisory Board expires at the end of the current General Meeting, renews her for one year, i.e. until the end of the General Meeting called to approve the financial statements for 2014.

FOURTEENTH RESOLUTION (AUTHORIZATION TO ALLOW THE COMPANY TO PURCHASE AND SELL ITS OWN SHARES)

The General Meeting, after taking note of the Management Board report, authorizes the Management Board, in accordance with Article L. 225-209 of the French Commercial Code, to acquire on one or more occasions and at such times as it may deem fit, shares representing up to 10% of the share capital, subject to the following conditions:

Maximum purchase price per share:	€40
Maximum amount:	€23,535,092

This amount may be adjusted accordingly in order to take into account any capital increase or decrease during the purchase program.

In accordance with Article L. 225-210 of the French Commercial Code, the acquisition of the company's own shares must not bring the shareholders' equity below the level of the share capital plus non-distributable reserves.

These shares may be acquired, sold, transferred, exchanged, on one or more occasions by any means including by private agreement, block sale of holdings or the use of derivatives, for one of the purposes set forth by the law, i.e.:

- supporting the secondary market and ensuring the liquidity of the TOUAX SCA share through a liquidity agreement with an investment services provider acting independently, in accordance with the AMAFI Code of Practice recognized by the French Financial Markets Authority (AMF);
- granting stock options and/or allotting bonus shares to employees and managers of the company and/or of TOUAX Group companies as well as any allocation of shares as any employee savings plan or of the French statutory profit-sharing scheme and/or any other forms of allocating shares to employees and/or company corporate officers;
- granting coverage for securities that entitle the holder to receive shares in the company under the regulations currently in force;
- retaining the shares bought, and using them later for trading or as payment in connection with external growth operations, it being stated that the shares acquired for this purpose may not exceed 5% of the share capital; and/or
- cancelling the shares, subject to the approval of the 15th resolution of the General Meeting held on 11 June 2014.

For the first objective, the company's shares will be bought on its behalf by an investment services provider acting under a liquidity agreement and in accordance with the AMAFI Code of Practice approved by the French Financial Markets Authority (AMF).

These transactions may be carried out at any time, including during a public offering, subject to the regulations in force.

This authorization enters into effect on acceptance by this General Meeting. It is granted for a period of 18 months. It cancels and replaces the authorization granted by the 14th resolution of the Ordinary General Meeting of June 11, 2013.

The General Meeting grants all powers to the Management Board or any person duly appointed thereby, to decide when to implement this authorization and to determine its terms and conditions, and in particular to adjust the above purchase price in case of transactions that modify the shareholders' equity, the share capital or the par value of the shares, to place any orders on the stock exchange, conclude any agreements, make all declarations, carry out all formalities and in general do everything that is required.

On first notice of meeting, the Extraordinary General Meeting can only validly proceed if the shareholders present in person or by proxy hold at least one fourth of the shares to which voting rights are attached. Motions pass by majority of the 2/3 of votes cast.

FIFTEENTH RESOLUTION (AUTHORIZATION TO REDUCE THE SHARE CAPITAL THROUGH CANCELLATION OF TREASURY STOCK IN ACCORDANCE WITH ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE)

The General Meeting, after taking note of the Management Board and the Statutory Auditors' report, and in accordance with Article L 225-209 of the French Commercial Code,

1) authorises, for a period of twenty-four months from the present General Meeting, the Management Board to cancel, on one or more occasions, up to a maximum of 10% of the share capital per period of twenty-four months, some or all of the shares acquired by the Company in connection with the share buyback program pursuant to any authorisation granted by the present, a past or future General Meeting,

2) autorises the Management Board to allocate the difference between the purchase price and the par value of the shares to whichever reserve account it sees fit,

3) grants the Management Board all powers to set the terms and conditions of the cancellation, amend the Company's Articles of Association accordingly, and to undertake all necessary formalities.

This authorization enters into effect on acceptance by this General Meeting. It cancels and replaces the authorization granted by the 20th resolution of the Extraordinary General Meeting of June 11, 2013.

SIXTEENTH RESOLUTION (FORMALITIES)

The General Meeting grants all powers to the bearer of a copy or extract of the minutes of this General Meeting in order to carry out the legal and statutory formalities.

30. INCLUSION BY REFERENCE

In accordance with Article 28 of Commission Regulation EC 809/2004 implementing the "Prospectus" Directive 2003/71/EC, the following documents are included by reference in this document submitted on April 10, 2014:

- the reference document for the fiscal year ended December 31, 2010, submitted on April 8, 2011 under reference number D11-0264;
- the reference document for the fiscal year ended December 31, 2011, submitted on April 5, 2012 under reference number D.12-0294.
- the reference document for the fiscal year ended December 31, 2012, submitted on April 9, 2013 under reference number D.13-0316.

31. GLOSSARY

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

Shipping container: standard sized metallic freight container.

Modular building: building made of standard elements (modules), installed unmodified at a site by stacking and/or juxtaposition.

EBITDA : Earnings Before Interest, Tax, Depreciation and Amortization. The EBITDA used by the Group is the current operating income (operating result after distribution to investors) restated to include depreciation and provisions for fixed assets.

EBITDAR : Earnings Before Interests, Tax, Depreciation, Amortization and Rent

Operational leasing: unlike financial leasing, operational leasing does not transfer almost all the risks and benefits of the asset's ownership to the lessee.

Pool: equipment grouping.

Pusher, push-tug: Motorized vessel used to push river barges.

TEU (Twenty Foot Equivalent Unit) : twenty foot equivalent – unit of measure for containers. This unit may be physical (one 40' container is the equivalent of two 20' containers) or financial (the price of a 40' container is equal to 1.6 times the price of a 20' container). The measurement unit used in this report is the physical unit (TEU), unless otherwise indicated (financial unit - FTEU).

asset-back securitization : la titrisation d'actif est une méthode de financement d'une entreprise consistant à transférer des actifs de leur propriétaire (un « vendeur ») à une entité à désignation spécifique qui finance l'acquisition en émettant des titres (« billet ») à diverses parties (« investisseurs »).

Intermodal transport/combined transport: the carriage of goods using more than one means of transport, integrated over long distances and in the same container,

Freight Railcar: Railcar used to transport goods.

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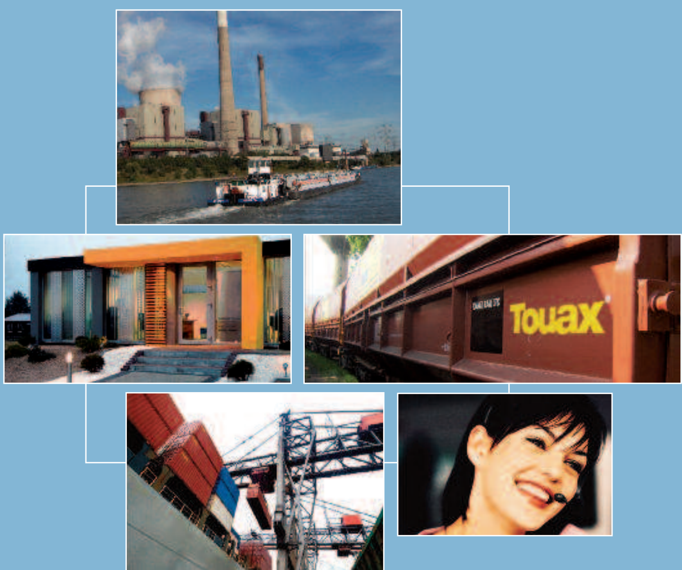
This reference document was submitted to the French Financial Markets Authority (AMF) on April 10, 2014 in accordance with Article 212-13 of its General Regulations. It can be used in support of a financial transaction if it is supplemented by a short form prospectus certified by the French Financial Markets Authority. This document was drawn up by the issuer and the signatories accept liability for its content.

Copies of this reference document are available, free of charge, from TOUAX SCA, Tour Franklin – 23rd floor – 100-101 Terrasse Boieldieu – 92042 La Défense cedex, FRANCE, as well as on the TOUAX Internet site: www.touax.com and on the website of the French Financial Markets Authority (AMF).



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