



Half-year report

June 30, 2019

The present half-year financial report has been drawn up in accordance with Article L451-1-2-III of the French Monetary and Financial Code and Articles 222-4 and 222-6 of the General Regulations of the French Financial Market Authority (AMF).

Contents

1.	<i>Half-year progress report on the interim financial statements to June 30, 2019</i>	3
1.1.	Key figures	3
1.2.	Reminder concerning the businesses	3
1.3.	Revenue from activities	4
1.4.	Variation in the Group's results	7
1.5.	Other items of the consolidated results	8
1.6.	Group consolidated balance sheet	8
1.7.	Principal outstanding investments	8
1.8.	Significant events during the first half of 2019	9
1.9.	Post balance sheet events	9
1.10.	Outlook	9
1.11.	Risks and uncertainties regarding the second half-year	9
1.12.	Principal related-party transactions	9
2.	<i>Condensed consolidated half-year financial statements</i>	10
3.	<i>Attestation by the authors of the half-year financial report</i>	33
4.	<i>Statutory auditors' report on the half-year financial report</i>	34

1. HALF-YEAR PROGRESS REPORT ON THE INTERIM FINANCIAL STATEMENTS TO JUNE 30, 2019

1.1. KEY FIGURES

The tables below show extracts from the income statements, statements of financial position and cash flow statements from the condensed consolidated financial statements for the six-month periods to June 30, 2019 and June 30, 2018 and full-year 2018.

The financial information given below must be understood in the light of the condensed consolidated financial statements and the other information given in the half-year progress report given below.

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Total leasing activity	65 933	65 165	134 540
Total sales of equipment	12 724	8 285	18 749
Revenue	78 657	73 450	153 289
Fees on syndication	382	976	997
Capital gains or losses on disposals unrelated to recurring activities	456	2	255
Revenue from activities	79 495	74 429	154 541
EBITDAR	43 057	40 262	83 100
EBITDA (1)	16 055	12 836	25 697
Operating income	5 581	4 010	8 112
Consolidated net attributable income - Group's share	(2 534)	(1 774)	(4 158)
<i>included the net income from retained operations</i>	<i>(2 013)</i>	<i>(1 774)</i>	<i>(3 203)</i>
<i>included the net income from discontinued operations</i>	<i>(521)</i>		<i>(955)</i>
Earnings per share (euro)	(0,36)	(0,25)	(0,59)

(1) EBITDA corresponds to the EBITDAR after deducting distributions to investors (previously called EBITDA after distribution to investors).

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Total assets	471 393	408 898	439 404
Gross tangible fixed assets (1)	423 254	387 830	399 582
Total non-current assets	330 205	304 456	307 611
Shareholders' equity - Group's share	102 068	111 055	105 057
Consolidated shareholder's equity	126 836	135 081	129 114
Minority interests	24 768	24 026	24 057
Gross financial debt	254 655	212 544	225 516
Net financial debt (2)	195 619	178 658	195 455
Net dividend per share (euro)	NA	NA	NA

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

(2) The net debt is the gross debt after deducting cash assets and liabilities on derivatives

1.2. REMINDER CONCERNING THE BUSINESSES

With operations across five continents, TOUAX leases and sells freight railcars, river barges and containers throughout the world, on its own behalf and on behalf of investors.

With managed assets worth over €1.2 billion, TOUAX is one of the European leaders for leasing this type of equipment.

TOUAX achieved revenue from activities of €79.5 million in the first half of 2019, of which 97% was achieved outside France.

■ Freight Railcars division

TOUAX Rail Ltd, a wholly-owned subsidiary of TOUAX, operated circa 9,469 platforms (7,204 railcars) at the end of June 2019. The Group is specialized in 45', 60', 90' and 106' flat intermodal railcars, but also markets car-carrier railcars and hopper railcars.

The currency of the Freight Railcars division is the euro in Europe, the dollar in the United States and the Indian rupee in India.

In Europe, the Group offers its leasing and maintenance services via a network of agencies and agents located in most of the European countries. TOUAX may also sell used and new railcars.

TOUAX offers complete hedging to all its clients.

The Group mainly operates railcars on its own behalf (74% of the managed fleet) and partly through third-party asset management (26% of the managed fleet in number of platforms).

I River Barges division

The TOUAX Group is present in Europe and North and South America with a fleet of 98 barges at the end of June 2019 for its own and for third parties, representing a capacity of over 253,000 tons.

TOUAX provides its services:

- in France on the Seine and Rhone,
- in Northern Europe on the Rhine (Meuse, Moselle, Main),
- in Central Europe on the Danube,
- in North America on the Mississippi,
- in South America on the Paraná-Paraguay.

TOUAX offers its customers comprehensive expertise in the field of river transport, in particular with leasing and trade in river transport equipment.

The currency of the River Barges division is the dollar in the United States and South America, and the euro in Europe.

TOUAX's customers are river logistics operators and industrial companies.

I Containers division

Through Touax Global Container Solutions, TOUAX managed a fleet of about 470,000 CEU at the end of June 2019, making it the leader in Continental Europe and the eighth largest leasing company in the world. The Group specializes in standard dry containers (20 feet, 40 feet, and 40 feet high capacity) which can be leased to all shipping companies worldwide. The average age of its fleet is of 9.8 years.

84% (number of CEU) of the containers are managed on behalf of third-party investors, and the remainder belongs to the Group.

The Container division deals in US dollars.

TOUAX Global Container Solutions offers a very extensive range of contracts:

- short-term operational leasing (annually renewable master lease or one way leasing),
- long-term operational leasing (3 to 7 years) with or without an option to buy (these contracts account for 89.5% of the fleet managed),
- financial leasing (sale and leaseback and lease-purchase program).

TOUAX also sells new and used containers.

The Group's utilization rate was of 97.5% on June 30, 2019.

TOUAX Global Container Solutions works with over 120 companies worldwide and with the top 10 firms. Customers include for example Maersk Lines, Hapag Lloyd, Evergreen, Mediterranean Shipping Company, CMA-CGM, COSCO Shipping.

The company is established internationally through a network of 3 regional offices (Singapore for Asia, Miami for the Americas and Bremen/Hamburg for Europe, Middle East and Africa) and representations in the following locations: Philadelphia, Los Angeles, Sao Paulo, Genoa, Shanghai and Seoul.

With about 200 depots located in the principal port zones in the world, TOUAX Global Container Solutions offers global coverage to all of its customers.

I Modular Buildings division in Africa

The Modular Buildings activity continues in Africa. This activity is not significant in relation to the Group's other transportation activities and is presented in segment information in the miscellaneous category.

1.3. REVENUE FROM ACTIVITIES

I Impact of IFRS 16 "Leases" on the consolidated accounts

Touax uses the simplified transition method for the application of IFRS 16 as of 1 January 2019. As a result, comparative data for the first half of 2018 has not been restated. The implementation of this new standard has not had a significant impact on the presentation of the income from activities in the first half of 2019. Ancillary services are now presented on a different line from leasing revenues.

Touax, as lessor or intermediary lessor, considers in its analysis that:

- The standard has no impact on leasing revenues from owned equipment, given that the standard provisions are in large part identical to those of IAS 17 for a lessor.
- Sub-leases of equipment are still classified as operating leases because they pertain to leasing revenues minus management expenses distributed to investors (distributions are variable and depend on the actual profitability of equipment, since the group

does not guarantee any fixed income to investors), and the leasing revenues from this equipment is still recorded as it was for IAS 17.

Variation in revenue from activities

Total revenue from activities increased by €5.1 million (equal to +6.8%), from €74.4 million in June 2018 to €79.5 million in June 2019. At constant scope and currency, revenue from activities increased by 3%. The dollar strengthened between the two periods, rising from \$1.2104 = €1 on 30 June 2018 to \$1.1298 = €1 on 30 June 2019.

Leasing activity increased by €0.8 million, from €65.2 million at 30 June 2018 to €65.9 million on 30 June 2019, equal to a variation of +1.2%. The variation in leasing activity at constant scope and currency is -2.2%.

Analysis by geographical area

Revenue from activities by (in thousands of euros)	06.2019	06.2018	Variation June		12.2018
			2018/2019		
International	39 217	37 145	2 072	5,6%	75 949
Europe	32 882	31 217	1 665	5,3%	66 475
N&S America	1 378	1 910	(532)	-27,8%	3 262
Other	5 180	3 179	2 001	62,9%	7 603
TOTAL Revenue	78 657	73 450	5 207	7,1%	153 289
International	382	314	68	21,7%	310
Europe		662	(662)	-100,0%	687
TOTAL Fees on syndication	382	976	(594)	-60,8%	997
Europe	456		456		210
Other		2	(2)	-100,0%	45
TOTAL Capital gains or losses on disposals unrelated to recurring	456	2	454		255
TOTAL REVENUE FROM ACTIVITIES	79 495	74 429	5 066	6,8%	154 541

In the Freight Railcars and River Barges divisions, the services are provided in the sector where the markets and customers are located. The Containers division is present at the international level, since the containers travel on hundreds of global trade routes.

Analysis by division

Revenue from activities by business (in thousands of euros)	06.2019	06.2018	Variation June		12.2018
			2018/2019		
FREIGHT RAILCARS	28 432	26 324	2 108	8,0%	55 645
Leasing activity	28 283	25 435	2 848	11,2%	53 419
Sale of equipment	149	889	(740)	-83,2%	2 226
RIVER BARGES	5 775	6 847	(1 072)	-15,7%	14 501
Leasing activity	5 733	5 827	(94)	-1,6%	12 437
Sale of equipment	42	1 020	(978)	-95,9%	2 064
CONTAINERS	39 217	37 249	1 968	5,3%	76 062
Leasing activity	31 847	33 441	(1 594)	-4,8%	67 996
Sale of equipment	7 370	3 808	3 562	93,5%	8 066
Miscellaneous & eliminations	5 233	3 030	2 203	72,7%	7 081
Leasing activity	70	461	(391)	-84,8%	688
Sale of equipment	5 163	2 568	2 595	101,1%	6 393
TOTAL Revenue	78 657	73 450	5 206	7,1%	153 289
Fees on syndication Freight Railcars		662	(662)	-100,0%	687
Fees on syndication Containers	382	314	68	21,7%	310
TOTAL Fees on syndication	382	976	(594)	-60,9%	997
Capital gains or losses on disposals unrelated to recurring activities Other	456	2	454		255
TOTAL Capital gains or losses on disposals unrelated to recurring activities	456	2	454		255
TOTAL REVENUE FROM ACTIVITIES	79 495	74 429	5 066	6,8%	154 541

Leasing activity increased by €0.8 million from €65.2 million on 30 June 2018 to €65.9 million on 30 June 2019, representing a +1.2% change.

- The Freight Railcar business increased by €2.8 million due to higher utilisation rates and leasing rates.
- The River Barge activity decreased slightly (-€0.1 million). The activity shows a drop in leasing revenues due to the lower utilisation rate in South America offset by an increase in leasing and chartering in Europe.
- The Container activity is down 4.8% due to lower fleet and utilisation rates. The strengthening of the dollar has a significant impact on the division: the leasing activity has fallen by 11.1%. The reduction in the fleet (second-hand sales) and the end of lease-purchase contracts in 2018 explain the decline in the leasing activity.

Equipment sales increased by €4.4 million (or +53.6%), from €8.3 million in June 2018 to €12.7 million in June 2019.

Syndication fees and capital gains not related to recurring activities totalled €0.8 million, of which €0.4 million related to syndication fees.

Freight Railcars division

Income from activities in the Freight Railcar division increased by €1.5 million, from €27 million on 30 June 2018 to €28.4 million on 30 June 2019.

Leasing activity increased by €2.8 million (or +11.2%), from €25.4 million in June 2018 to €28.3 million in June 2019. This increase can be explained firstly by the average utilisation rate in the first half of 2019, which continued to increase to 88.7% compared to an average of 84.2% during the first half of 2018 and secondly by the rise in leasing rates.

The increased leasing revenues from equipment under management was also attributable to railcar syndications at the end of the first half of 2018, as well as the purchase of the Dunavagon fleet in the last quarter of 2018, which involved the recognition of leasing revenues, whereas this fleet only generated a commission when it belonged to SRF I.

The increased leasing revenues for owned railcars benefited from the increase in utilisation rates and the leasing rate, the recognition of leasing revenues generated by the Dunavagon fleet partially acquired by the Group at the end of the 2018 financial year and investments made in India.

The sale of equipment activity decreased by €0.7 million, from €0.9 million in June 2018 to €0.1 million in June 2019.

There was no syndications in the first half of 2019.

River Barges division

Income from activities in the River Barges division decreased by €1.1 million (or -15.7%), changing from €6.8 million in June 2018 to €5.8 million in June 2019. This variation is mainly due to the disposal of barges in the first half of 2018.

Containers division

Income from activities in the Containers division increased by €2 million (or +5.4%), changing from €37.6 million in June 2018 to €39.6 million in June 2019. This variation is explained by an increase in the equipment sales activity, offset by a decrease in leasing activity.

The leasing activity in the Containers division decreased by €1.6 million (or -4.8%), from €33.4 million in June 2018 to €31.8 million in June 2019. At a constant Euro/Dollar exchange rate, the leasing activity of the Containers division decreased by 11.1%. The fall in leasing revenues is due to a slight decrease in daily leasing rates but especially to the decrease in the leasing fleet (-18,845 TEU compared to June 2018 (469,826 CEUs on 30.06.2019)). The utilisation rate decreased with an average of 97.7% in the first half of 2019 compared to 98.9% in the first half of 2018. While the leasing revenues from equipment under management is decreasing, the share of leasing revenues from owned equipment is growing mainly thanks to investments made in the second half of 2018. Ancillary services (€3.3 million in June 2019 compared to €1.1 million in June 2018) correspond to re-invoicing of repairs following the return of containers.

The equipment sales activity increased by €3.6 million (or +93.5%), from €3.8 million in June 2018 to €7.4 million in June 2019. The division has continued to develop new container trading operations and has sold used containers on behalf of investors. These disposals are linked to the age of the fleet, in the normal cycle of the activity. At constant currency, the variation is +80.6%.

The syndication commission for containers increased by €0.1 million (+21.5%). The sale amount of 13,620 TEUs amounted to €24.9 million and generated a margin of €0.4 million. At constant currency the variation would be €0.3 million (+13.4%).

Miscellaneous

Revenues from the Modular Buildings division only shows companies in North Africa and is grouped in the miscellaneous & eliminations segment. The activity of these subsidiaries is mainly focused on the sale of modular buildings manufactured by the Moroccan plant. In the first half of 2019, sales amounting to €5.2 million were made by the Modular Buildings Africa division.

Touax SCA carried out two Andrésy real estate sales during the first half of 2019 (capital gains or losses from disposals not related to recurring activities) for €0.5 million.

1.4.VARIATION IN THE GROUP'S RESULTS

Segment information is presented in accordance with IFRS 8 based on internal management reports.

Result (in thousands of euros)	06.2019	06.2018	Variation June 2018/2019	12.2018
FREIGHT RAILCARS				
Gross operating margin (EBITDAR)	12 935	13 578	(643)	28 167
Net distributions to investors	(2 658)	(2 062)	(596)	(5 293)
EBITDA	10 277	11 516	(1 239)	22 874
Segment-based current operating income	3 551	5 786	(2 235)	11 056
RIVER BARGES				
Gross operating margin (EBITDAR)	1 380	2 401	(1 021)	4 521
Net distributions to investors				
EBITDA	1 380	2 401	(1 021)	4 521
Segment-based current operating income	59	1 083	(1 024)	1 853
CONTAINERS				
Gross operating margin (EBITDAR)	28 156	26 136	2 021	54 321
Net distributions to investors	(24 344)	(25 364)	1 019	(52 110)
EBITDA	3 812	772	3 040	2 211
Segment-based current operating income	2 149	(392)	2 541	(286)
TOTAL SEGMENTS (excluding Miscellaneous & eliminations)				
Gross operating margin (EBITDAR) (excluding Miscellaneous & eliminations)	42 471	42 116	355	87 009
Net distributions to investors	(27 001)	(27 427)	426	(57 403)
EBITDA (excluding Miscellaneous & eliminations)	15 468	14 689	779	29 606
Segment-based current operating income (excluding Miscellaneous & eliminations)	5 759	6 477	(718)	12 623
Miscellaneous & eliminations	(178)	(2 216)	2 038	(4 667)
Current operating income	5 581	4 261	1 320	7 956
Other operating revenues and expenses		(251)	251	156
Operating income	5 581	4 010	1 571	8 112
Financial result	(6 589)	(4 509)	(2 080)	(10 243)
Profit before tax	(1 008)	(499)	(508)	(2 131)
Corporate income tax	(509)	(684)	175	(475)
EARNINGS FROM RETAINED OPERATIONS	(1 516)	(1 183)	(333)	(2 606)
EARNINGS FROM DISCONTINUED OPERATIONS	(521)		(521)	(955)
CONSOLIDATED NET INCOME	(2 037)	(1 183)	(855)	(3 561)
- non controlling interests (Minority interests) from retained operations	496	592	(96)	597
- non controlling interests (Minority interests) from discontinued operations				
CONSOLIDATED NET ATTRIBUTABLE INCOME	(2 534)	(1 774)	(760)	(4 158)
Including EARNINGS FROM RETAINED OPERATIONS	(2 013)	(1 774)	(239)	(3 203)
Including EARNINGS FROM DISCONTINUED OPERATIONS	(521)		(521)	(955)

The **Freight Railcar** division presents a current operating income that has decreased by €2.2 million. This decrease is mainly due to the lack of syndication and sales of equipment to customers in the first half of 2019. The increase in depreciation provision also impacts the decline in current operating income.

The **River Barges** division presents a current operating income that has decreased by €1 million compared to June 2018. The decrease in the leasing activity in South America combined with the absence of asset sales in the first half of 2019 explains this negative variation.

The **Containers** division presents an operating income that has increased by €2.5 million on 30 June 2019. This increase is attributable to improved leasing activity and higher container sales.

1.5. OTHER ITEMS OF THE CONSOLIDATED RESULTS

Financial result

The financial result showed an expense of €6.6 million at June 30, 2019 compared with €4.5 million at June 30, 2018. The financial result mainly comprises interest charges.

The financial result includes an exceptional foreign exchange loss of €1.2 million on intra-group loans in USD that was not offset by currency hedging with Monex Europe Markets Limited, an English broker authorised and regulated by the FCA in the UK. A dispute with Monex in respect of this loss is ongoing.

Net result - Group's share

The consolidated net income (Group's share) showed a loss of -€2.5 million at June 30, 2019 compared with a loss of -€1.8 million at June 30, 2018.

Net earnings per share amounted to -€0.36 (-€0.25 in June 2018).

1.6. GROUP CONSOLIDATED BALANCE SHEET

The consolidated balance sheet total at June 30, 2019 amounted to €471 million, compared with €439 million at December 31, 2018.

Non-current assets totalled €330 million (including property, plant and equipment worth €296 million) at June 30, 2019 compared with €308 million (including property, plant and equipment worth €288 million at December 31, 2018).

Long-term financial assets amounted to €11.2 million at June 30, 2019 stable compared with December 31, 2018.

Stocks at June 30, 2019 amounted to €48.1 million compared with €67.2 million at December 31, 2018.

Shareholders equity amounted to €126.8 million at June 30, 2019, compared with €129.1 million at December 31, 2018.

Non-current liabilities amounted to €137.3 million, down by €35 million compared with December 2018 (€172 million).

Consolidated net financial indebtedness (after deducting cash and marketable securities and Short-term derivative instruments assets) amounted to €195.6 million (€195.5 million in December 2018).

1.7. PRINCIPAL OUTSTANDING INVESTMENTS

Main investments (non-group) of the fleet managed by Touax for third parties (investors)

- Freight railcars:
 - Purchase of railcars by the Touax Group resulting in a reduction of the fleet under management of €3.1 million (gross value).
- Containers:
 - Investment of €23.5 million by the investors.
 - Sale of second-hand containers belonging to investors leading to a decrease in the value of the fleet totalling €54.6 million (gross value).
 - End of sub-lease contract for containers with a gross value of €5.7 million.

Main investments on TOUAX's own behalf

Net capital assets investments (in thousands of euros)	06.2019	06.2018	12.2018
Net intangible investments	16		(2)
Net tangible investments	10 127	(9 552)	(615)
Net financial investments	61	1 590	283
TOTAL NET INVESTMENTS IN ASSETS	10 205	(7 962)	(334)

These are acquisitions of fixed assets in gross value less the gross values of the transfers of fixed assets.

Breakdown by business of net capital assets investments			
<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Freight Railcars	9 535	641	8 286
River Barges	(270)	(2 718)	(4 081)
Containers	1 104	(5 900)	(3 724)
Miscellaneous	(165)	16	(815)
TOTAL NET INVESTMENTS IN ASSETS	10 205	(7 962)	(334)

I Firm investment commitments

Firm orders and investments at June 30, 2019 amounted to €74.98 million, consisting of €73.68 million for freight railcars and €1.3 million for barges.

1.8. SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2019

On the 21st of June 2019, Touax SCA signed a senior secured loan of €40 million, maturing in five years, with an institutional investor.

This loan, which extends the average maturity of the Group's debt and is part of the Group's growth and profitability strategy, will be used:

- Firstly, to refinance ORNANE by a nominal amount of €23 million, maturing on the 10th of July 2020. The Group repaid 93% of the nominal amount on 1 August 2019 corresponding to the exercising of the redemption option by the bearers and will repay the balance of the bonds remaining in circulation in September 2019.
- Secondly, to help implement a gradual investment plan.

1.9. POST BALANCE SHEET EVENTS

TOUAX paid a coupon to the holders of Undated Super Subordinated Notes (TSSDI) for an amount of €4 million in August 2019.

On the 1st of August 2019, Touax SCA issued a senior unsecured bond through a Euro PP with a par value of €10 million and a maturity date as of the 1st of February 2025.

The net proceeds of this issuance will be used to finance the investments of the Group and will enable to extend the average maturity of the debt.

The success of those financings illustrates the investors' trust in the strategic refocusing of the Group on the leasing of transportation activities such as Railcars, River Barges and Containers.

1.10. OUTLOOK

European markets should continue to favour the replacement of freight railcars on the continent faced with the general ageing of the fleet.

The river transport market in Europe is driven by rising construction, biomass and grain transportation resulting in requirements for river barges.

Replacement needs and the growth of international trade continue to support the growth of the container leasing activity.

In a weaker economic environment, TOUAX is able to generate growth in structurally buoyant renewal markets and gradually increase its profitability by rebuilding its own asset base.

1.11. RISKS AND UNCERTAINTIES REGARDING THE SECOND HALF-YEAR

Risk management is set out in the 2018 reference document reference filed with the AMF on April 12, 2019, reference D.19-0329. TOUAX does not expect changes in the risks described in the 2018 reference document.

1.12. PRINCIPAL RELATED-PARTY TRANSACTIONS

The nature of the transactions carried out by the Group with related parties is described in Note 34 of the Notes to the 2018 consolidated financial statements. There were no significant changes to related-party transactions during the first half of 2019.

2. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Consolidated income statement, presented by function (in thousands of euros)	06.2019*	06.2018	12.2018
Leasing revenues on owned equipment	23 884	22 696	45 145
Leasing revenues on managed equipment	32 579	35 317	72 167
Ancillary services	9 470	7 152	17 228
Total leasing activity	65 933	65 165	134 540
Sales of owned equipment	10 196	7 722	17 220
Margin on sales of managed equipment	2 528	563	1 529
Total sales of equipment	12 724	8 285	18 749
TOTAL REVENUE	78 657	73 450	153 289
Fees on syndication	382	976	997
Capital gains or losses on disposals unrelated to recurring activities	456	2	255
Revenue from activities	79 495	74 429	154 541
Cost of sales of equipment	(8 785)	(5 591)	(13 644)
Operating expenses	(16 478)	(16 685)	(33 955)
Sales, general and administrative expenses	(11 175)	(11 891)	(23 842)
GROSS OPERATING MARGIN (EBITDAR)	43 057	40 262	83 100
Net distributions to investors	(27 002)	(27 426)	(57 403)
EBITDA	16 055	12 836	25 697
Depreciation, amortization and impairments	(10 474)	(8 575)	(17 741)
CURRENT OPERATING INCOME	5 581	4 261	7 956
Other operating revenues (expenses), net		(251)	156
OPERATING INCOME	5 581	4 010	8 112
Interest income	20	11	20
Interest expense	(5 443)	(4 379)	(10 081)
Net interest expense	(5 423)	(4 368)	(10 061)
Other financial income (expenses), net	(1 166)	(141)	(182)
NET FINANCIAL EXPENSE	(6 589)	(4 509)	(10 243)
Profit (loss) of investments in associates			
PROFIT BEFORE TAX	(1 008)	(499)	(2 131)
Income tax benefit (expense)	(509)	(684)	(475)
Earnings from retained operations	(1 517)	(1 183)	(2 606)
Earnings from discontinued operations	(521)		(955)
NET INCOME OF CONSOLIDATED COMPANIES	(2 038)	(1 183)	(3 561)
including portion attributable to			
- non controlling interests (Minority interests) from retained operations	496	592	597
- non controlling interests (Minority interests) from discontinued operations			
CONSOLIDATED NET INCOME (LOSS)	(2 534)	(1 774)	(4 158)
Including earnings from retained operations	(2 013)	(1 774)	(3 203)
Including earnings from discontinued operations	(521)		(955)
Net earning per share (euro)	(0,36)	(0,25)	(0,59)
Diluted net earnings per share (euro)	(0,36)	(0,25)	(0,59)

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method. As a consequence, the 2018 financial statements have not been restated.

Consolidated income statement, presented by type		06.2019*	06.2018	12.2018
<i>Note # (in thousands of euros)</i>				
	Revenue	78 657	73 450	153 289
	Fees on syndication	382	976	997
	Capital gains or losses on disposals unrelated to recurring activities	456	2	255
4	Revenue from activities	79 495	74 429	154 541
	Other purchases and external charges	(28 547)	(26 612)	(55 168)
5	Staff costs	(7 907)	(7 635)	(15 931)
	Other operating revenues & expenses	(490)	317	(6 391)
	GROSS OPERATING PROFIT	42 551	40 499	77 051
	Operating Provisions	506	(237)	6 049
	GROSS OPERATING MARGIN (EBITDAR)	43 057	40 262	83 100
6	Net distributions to investors	(27 002)	(27 426)	(57 403)
	EBITDA	16 055	12 836	25 697
	Depreciation, amortization and impairments	(10 474)	(8 575)	(17 741)
	CURRENT OPERATING INCOME	5 581	4 261	7 956
7	Other revenues (expenses), net		(251)	156
	OPERATING INCOME	5 581	4 010	8 112
	Interest income	20	11	20
	Interest expense	(5 443)	(4 379)	(10 081)
	Net interest expense	(5 423)	(4 368)	(10 061)
	Other financial income (expenses), net	(1 166)	(141)	(182)
8	NET FINANCIAL EXPENSE	(6 589)	(4 509)	(10 243)
	Profit (loss) of investments in associates			
	PROFIT BEFORE TAX	(1 008)	(499)	(2 131)
9	Income tax benefit (expense)	(509)	(684)	(475)
	Earnings from retained operations	(1 517)	(1 183)	(2 606)
10	Earnings from discontinued operations	(521)		(955)
	NET INCOME OF CONSOLIDATED COMPANIES	(2 038)	(1 183)	(3 561)
	Including portion attributable to:			
	- non controlling interests (Minority interests) from retained operations	496	592	597
	- non controlling interests (Minority interests) from discontinued operations			
	CONSOLIDATED NET INCOME (LOSS)	(2 534)	(1 774)	(4 158)
	Including earnings from retained operations	(2 013)	(1 774)	(3 203)
	Including earnings from discontinued operations	(521)		(955)
11	Net earnings per share	(0,36)	(0,25)	(0,59)
11	Diluted earnings per share	(0,36)	(0,25)	(0,59)

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method. As a consequence, the 2018 financial statements have not been restated.

Statement of comprehensive income for the period			
<i>(in thousands of Euros)</i>	06.2019	06.2018	12.2018
Profit (loss) for the financial year	(2 038)	(1 183)	(3 561)
Other items of the comprehensive income, net of taxes			
Differences on conversion	277	430	987
Differences on conversion on net investment in subsidiaries	87	303	551
Gains and losses made on cash-flow hedging instruments (effective portion)	(649)	(99)	(265)
Tax on comprehensive income items	79	17	39
Other items of the comprehensive income that may be subsequently reclassified as net income	(206)	651	1 312
ORNANE fair value change attributable to credit risk (application of IFRS 9)	141	(473)	(390)
Other items of the comprehensive income that cannot be subsequently reclassified as net income	141	(473)	(390)
Total Other items of comprehensive income, net of taxes	(65)	178	922
of which non-controlling interests (minority interests)	71	(171)	(130)
of which Owners of the Group's parent company	(136)	349	1 052
	(65)	178	922
Net income for the year			
of which non-controlling interests (minority interests)	496	592	597
of which Owners of the Group's parent company	(2 534)	(1 774)	(4 158)
	(2 038)	(1 183)	(3 561)
Global income for the year			
of which non-controlling interests (minority interests)	567	421	467
of which Owners of the Group's parent company	(2 670)	(1 425)	(3 106)
GLOBAL PROFIT/LOSS	(2 103)	(1 004)	(2 639)

Consolidated balance sheet		06.2019*	06.2018	12.2018
Note #	(in thousands of euros)			
ASSETS				
12	Goodwill	5 101	5 101	5 101
	Intangible assets	695	752	749
13	Rental equipment & other property plant & equipment, net	296 369	283 629	288 172
15	Right of use	15 711		
14	Long-term financial assets	11 195	12 254	11 142
14	Other non-current assets	1 042	2 617	2 352
	Deferred tax assets	92	103	95
	Total non-current assets	330 205	304 456	307 611
16	Inventory and work-in-progress	48 120	33 595	67 184
	Trade receivables, net	28 127	29 627	29 108
17	Other Current Assets	5 905	8 034	6 255
18	Cash and Cash Equivalents	59 036	33 186	29 246
	Total current assets	141 188	104 442	131 793
	TOTAL ASSETS	471 393	408 898	439 404
LIABILITIES				
	Share capital	56 092	56 092	56 092
	Hybrid capital	50 161	50 161	50 161
	Reserves	(1 651)	6 576	2 962
	Profit (loss) for the fiscal year, Group's share	(2 534)	(1 774)	(4 158)
	Equity attributable to the owners of the parent company	102 068	111 055	105 057
	Non-controlling interests (Minority interests)	24 768	24 026	24 057
	Consolidated shareholders' equity	126 836	135 081	129 114
18	Loans and borrowings	125 971	179 934	168 972
19	Long-term lease liabilities	8 936		
	Deferred tax liabilities	2 017	2 001	2 114
	Employee benefits	353	198	353
	Other long-term liabilities	42	800	543
	Total non-current liabilities	137 319	182 933	171 982
21	Provisions	93	140	504
19	Short-term lease liabilities	1 461		
18	Loans and borrowings	128 684	32 610	56 544
	Trade payables	18 168	14 806	14 084
22	Other Current Liabilities	58 832	43 328	67 176
	Total current liabilities	207 238	90 884	138 308
	TOTAL LIABILITIES	471 393	408 898	439 404

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method.

As a consequence, the 2018 financial statements have not been restated.

Change in consolidated shareholders' equity

	Share capital (2)	Premiums (2)	Consolidated reserves	Conversion reserves	Cash flow hedge (1)	Overall income for the period	Shareholders' equity attributable to owners of parent company	Non controlling interests (Minority interests)	TOTAL Shareholders' equity
<i>(in thousands of euros)</i>									
Situation on 1 January 2018	56 092	7 195	58 486	9 020	(58)	(18 040)	112 695	23 998	136 693
Other items of the comprehensive income that may be subsequently reclassified as net income				938	(116)		822	(171)	651
Other elements of the comprehensive income that cannot be subsequently reclassified as net income					(473)		(473)		(473)
Profit/loss for the period						(1 774)	(1 774)	592	(1 183)
TOTAL accounted expenses and income				938	(589)	(1 774)	(1 425)	421	(1 004)
Imputation of premiums on reserves								440	440
Repayment of shareholders' equity								(539)	(539)
Appropriation of overall 2017 net income			(18 040)			18 040			
Statutory remuneration of general partners		(268)					(268)		(268)
Dividends								(294)	(294)
Change in the scope of consolidation and others			1				1		1
Treasury shares			52				52		52
On 30 June 2018	56 092	6 927	40 499	9 958	(647)	(1 774)	111 055	24 026	135 081
Situation on 1 January 2019	56 092	6 926	36 183	10 735	(721)	(4 158)	105 057	24 057	129 114
Other items of the comprehensive income that may be subsequently reclassified as net income				277	(554)		(277)	71	(206)
Other elements of the comprehensive income that cannot be subsequently reclassified as net income					141		141		141
Profit/loss for the period						(2 534)	(2 534)	496	(2 038)
TOTAL accounted expenses and income				277	(413)	(2 534)	(2 670)	567	(2 103)
Capital increases								380	380
Repayment of shareholders' equity									
Appropriation of overall 2018 net income			(4 158)			4 158			
Statutory remuneration of general partners		(257)					(257)		(257)
Dividends								(310)	(310)
Change in the scope of consolidation and others			(74)				(74)	74	
Treasury shares			12				12		12
On 30 June 2019	56 092	6 669	31 963	11 012	(1 134)	(2 534)	102 068	24 768	126 836

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

(2) Including redeemable warrants and stock options

Consolidated Cash Flow Statement		06.2019*	06.2018	12.2018
<i>(in thousands of euros)</i>				
	Net income from continuing activities	(1 517)	(1 183)	(2 606)
	Net income from discontinued operations	(521)		(955)
	Depreciation and amortization	10 064	8 585	17 760
	Change in deferred taxes	(14)	278	532
	Capital gains & losses on disposals	(790)	(1 730)	(2 093)
	Other non-cash income (expenses), net	835	239	1 148
	Self-financing capacity after cost of net financial debt & tax	8 057	6 189	13 786
	Net interest expense	5 423	4 369	10 061
	Income tax paid	523	405	(57)
	Self-financing capacity before cost of net financial debt & tax	14 003	10 963	23 790
	Income tax paid	(523)	(405)	57
A	Change in working capital (excluding changes in inventory)	14 329	8 424	10 764
B	Change in inventory	1 318	(9 196)	(42 974)
C	Change in working capital related to rental equipment purchases	(17 427)	1 201	24 296
	Purchase of rental equipment	(9 679)	(9 158)	(21 568)
	Proceed from sale of rental equipment	1 934	7 824	9 466
	Net impact of finance leases granted to customers	145	709	866
	Sub-total	(23 709)	(8 620)	(29 914)
	I - CASH FLOW FROM OPERATING ACTIVITIES	4 100	10 362	4 697
	Investing activities			
	Acquisition of PPE and intangible assets	(151)	(207)	(549)
	Acquisition of equity interests			
	Net change in financial fixed assets	(206)	(2 299)	(1 149)
	Proceed from sale of property, plant and equipment	456	7	279
	Change in the scope of consolidation	541		
	II - CASH FLOW FROM INVESTING ACTIVITIES	640	(2 499)	(1 419)
	Financing transactions			
	Receipt from borrowings	46 127	83 872	111 519
	Repayments of borrowings	(11 868)	(86 479)	(101 836)
	Net change in borrowings	34 259	(2 607)	9 683
	Repayments of lease liabilities	(3 906)		
	Net increase in shareholders' equity (capital increase)	382	(97)	(111)
	Interest expense	(5 423)	(4 369)	(10 061)
	Dividends to shareholders of TOUAX SCA			
	Dividends to minority shareholders	(31)	(49)	(377)
	General Partners' statutory compensation			(269)
	Hybrid capital coupons			(4 039)
	Others	(23)		(23)
	Net sale (acquisition) of treasury shares	12	52	(42)
	III - CASH FLOW FROM FINANCING TRANSACTIONS	25 270	(7 070)	(5 239)
	Effect of exchange rate fluctuations	(50)	111	56
	IV - CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS	(50)	111	56
	CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	29 960	904	(1 905)
	Analysis of cash flow			
	Cash position at start of year	26 857	28 762	28 762
	Cash position at year end	56 817	29 666	26 857
	CHANGE IN NET CASH POSITION	29 960	904	(1 905)

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method. As a consequence, the 2018 financial statements have not been restated.

Net cash includes current bank facilities.

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Change in the operational working capital			
Decrease/(increase) in inventory	1 318	(9 196)	(42 974)
B Change in inventory (2)	1 318	(9 196)	(42 974)
Decrease/(increase) in trade receivables	1 204	2 323	3 542
Decrease/(increase) in other current assets	116	(2 379)	(313)
(Decrease)/increase in trade payables	5 216	2 474	1 660
(Decrease)/increase in other liabilities	7 793	6 006	5 875
A Change in operating working capital excluding change in inventory (1)	14 329	8 424	10 764
Change in the working capital (1)+(2)	15 647	(772)	(32 210)
C Change in Working Capital for investment			
Decrease / (increase) in receivables / fixed assets			
Decrease / (increase) in liabilities / fixed assets	(17 427)	1 201	24 296
Change in Working Capital for investment	(17 427)	1 201	24 296

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

note 1. ACCOUNTING RULES AND METHODS

note 1.1. BASIS FOR PREPARING AND PRESENTING THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD TO JUNE 30, 2019

The consolidated financial statements of TOUAX SCA are presented in accordance with international standards (IFRS – International Financial Reporting Standards) approved by the European Union. The condensed consolidated half-year financial statements have been drawn up in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated half-year financial statements do not include all of the information required for the full annual financial statements and must be understood in conjunction with the Group's reference document for the financial year to December 31, 2018.

The accounting principles and methods of assessment have been applied consistently for the periods presented. The interim financial statements have been drawn up in accordance with the same rules and methods used to draw up the annual financial statements, except for the changes from new standards applicable at 1 January 2019 and for the calculation of the current and deferred income tax expense. The income tax expense has been calculated by applying the estimated annual average tax rate for the current fiscal year for each entity or tax group, to the accounting income for the period.

However, for the interim financial statements, in accordance with IAS 34, certain assessments (unless otherwise indicated) may be based to a greater extent on estimates rather than on the annual financial data.

The condensed consolidated half-year financial statements for the period to June 30, 2019 and the notes to these financial statements were approved on September 11, 2019 by the TOUAX SCA Management Board.

The condensed interim consolidated financial statements are presented in euros rounded up or down to the nearest thousand euros, unless otherwise stated.

I Standards, amendments and interpretations adopted by the European Union and which must be applied from 1 January 2019

Impact of IFRS 16 "Leases" on the consolidated accounts:

Touax uses the simplified transition method for the application of IFRS 16 as of 1 January 2019. As a result, comparative data for the first half of 2018 has not been restated. The implementation of this new standard did not have a significant impact on the presentation of the income from activities in the first half of 2019. Ancillary services are now presented on a different line from leasing revenues.

Touax, as lessor or intermediary lessor, considers in its analysis that:

- The standard has no impact on leasing revenues from owned equipment, given that the standard provisions are in large part identical to those of IAS 17 for a lessor.
- Sub-leases of equipment are still classified as operating leases because they pertain to leasing revenues minus management expenses distributed to investors (distributions are variable and depend on the actual profitability of equipment, since the group does not guarantee any fixed income to investors), and the leasing revenues from this equipment is still recorded as it was for IAS 17.

Touax as lessee:

- Under IFRS 16, most operating leases are now capitalised. The group has retained the exemption proposed by the standard not to activate short-term or low-value contracts. Consequently, for leases whose term is greater than 1 year and whose underlying asset is a new value greater than \$5,000, a single model is applied to record the lease debt as a liability and the usage right as an asset. The lease expense is therefore cancelled and replaced by a depreciation expense and an interest expense. Under the simplified transition method, the 2018 income statement is not adjusted.
- As part of the syndication operations (disposal of portfolios of equipment to investors concomitantly with the signing of a management contract for this equipment), Touax considers at this stage that the syndication fees must be recognised in their entirety because no usage right is to be accounted for since the income distributed to investors is variable and depends on the profitability of the equipment (the group does not guarantee any return).

Capitalised leases are property leases and vehicle leases.

IFRIC 23 Interpretation "Uncertainties over income tax treatments" complements the provisions of IAS 12, Income Taxes, by specifying the procedures for evaluating and accounting for uncertainties relating to income taxes. The Group has not identified any impact related to the implementation of this interpretation of reclassification as current or deferred tax or any impact on shareholders' equity as of 1 January 2019.

I Standards and interpretations adopted by the IASB but not yet applicable on 30 June 2019.

The Group does not anticipate that any of the new standards and interpretations listed below may be relevant to it and the application of which is not mandatory on 1 January 2019:

- amendments to IAS 1 and IAS 8 "Definition of the term significant";
- amendments to IFRS 3 "Definition of an activity";

An analysis of the impacts and practical consequences of the application of these amendments to standards is under way. However, the group does not anticipate any major changes at this stage.

note 1.2. ESTIMATES

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

Since these assumptions are intrinsically uncertain, the actual figures 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 financial assets and information subject to significant estimates concern in particular the appraisal of any loss in value of tangible assets, valuation of goodwill, financial assets, derivative financial instruments, inventories and work in progress, provisions for risks and charges, and deferred taxes.

The interest rates used to calculate future rents are 4.25% for property leases and 2.45% for equipment leases.

- For property leases, the rate applied was determined on the basis of the swapped borrowing rate of the SCI which leases the la Défense premises to Touax SCA.
Since property leases in France represent 87% of total property leases with no other location > 10%, a single rate was applied to all properties leased.
- For equipment leasing contracts on the basis of an average duration of 3 years:
At the 3-year Euribor rate, a "medium" credit spread of the Rail and Container operating entities of 250 bps was applied according to the latest asset financing carried out in May 2018. These spreads reflect the level at which the operational divisions could refinance over a period of 2 to 5 years.
The region does not seem differentiating here. Indeed, the container division operates all around the world and the margin of 250bps reflects this, especially since the financing is carried out by European and American banks. The rail spread is slightly lower, mainly in Europe with European banks. This confirms the order of magnitude of the spread of 250 bps retained and applied without distinguishing geographical location.

note 1.3. SEASONAL NATURE OF THE BUSINESS

The Group's businesses do not show a marked seasonal activity.

note 2. CHANGES IN THE SCOPE OF CONSOLIDATION

On 28 May 2019, the Touax Group, through its subsidiary Touax Africa, disposed of the shares it held in Touax Industrie Modulaire Algérie, which has not been part of the Touax group since that date.

In addition, the Group dissolved Touax Côte d'Ivoire because it was not supporting any activity.

note 3. SEGMENT INFORMATION

In accordance with IFRS 8 Operating Segments, the information presented below for each operating segment comes from the internal management discussion and analysis and is the same as that presented to the Group's management.

note 3.1. INCOME STATEMENT BY DIVISION

JUNE 30, 2019* (in thousands of euros)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
Leasing revenues on owned equipment	17 776	3 173	2 889	46	23 884
Leasing revenues on managed equipment	6 929		25 650		32 579
Ancillary services	3 578	2 560	3 308	24	9 470
Total leasing activity	28 283	5 733	31 847	70	65 933
Sales of owned equipment	149	42	4 842	5 163	10 196
Margin on sales of managed equipment			2 528		2 528
Total sales of equipment	149	42	7 370	5 163	12 724
TOTAL REVENUE	28 432	5 775	39 217	5 233	78 657
Fees on syndication			382		382
Capital gains or losses on disposals unrelated to recurring activities				456	456
REVENUE FROM ACTIVITIES	28 432	5 775	39 599	5 689	79 495
Cost of sales of equipment	(45)		(4 289)	(4 451)	(8 785)
Operating expenses	(10 235)	(2 980)	(2 807)	(456)	(16 478)
General, commercial and administrative expenses	(5 217)	(1 415)	(4 348)	(195)	(11 175)
GROSS OPERATING MARGIN (EBITDAR)	12 935	1 380	28 155	587	43 057
Net distributions to investors	(2 658)		(24 344)		(27 002)
EBITDA	10 277	1 380	3 811	587	16 055
Depreciation, amortization and impairments	(6 726)	(1 321)	(1 662)	(765)	(10 474)
CURRENT OPERATING INCOME	3 551	59	2 149	(178)	5 581
Other revenues (expenses), net					
OPERATING INCOME	3 551	59	2 149	(178)	5 581
Net financial expense					(6 589)
Shares of profit/(loss) of associates					
PROFIT BEFORE TAX					(1 008)
Income tax benefit (expense)					(509)
Earnings from retained operations					(1 517)
Earnings from discontinued operations					(521)
NET INCOME OF CONSOLIDATED COMPANIES					(2 038)
Of which non-controlling interests (Minority interests) from retained businesses					496
Of which non-controlling interests (Minority interests) from discontinued operations					
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(2 534)
Including earnings from retained businesses					(2 013)
Including earnings from discontinued operations					(521)

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method. As a consequence, the 2018 financial statements have not been restated.

JUNE 30, 2018 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
Leasing revenues on owned equipment	17 222	3 491	1 902	81	22 696
Leasing revenues on managed equipment	4 872		30 445		35 317
Ancillary services	3 342	2 336	1 094	380	7 152
Total leasing activity	25 435	5 827	33 441	461	65 165
Sales of owned equipment	889	1 020	3 245	2 568	7 722
Margin on sales of managed equipment			563		563
Total sales of equipment	889	1 020	3 808	2 568	8 285
TOTAL REVENUE	26 324	6 847	37 249	3 030	73 450
Fees on syndication	662		314		976
Capital gains or losses on disposals unrelated to recurring activities				2	2
REVENUE FROM ACTIVITIES	26 986	6 847	37 563	3 032	74 429
Cost of sales of equipment	(115)	(545)	(2 780)	(2 151)	(5 591)
Operating expenses	(8 719)	(2 585)	(4 706)	(675)	(16 685)
General, commercial and administrative expenses	(4 574)	(1 316)	(3 942)	(2 059)	(11 891)
GROSS OPERATING MARGIN (EBITDAR)	13 578	2 401	26 136	(1 853)	40 262
Net distributions to investors	(2 062)		(25 364)		(27 426)
EBITDA	11 516	2 401	772	(1 853)	12 836
Depreciation, amortization and impairments	(5 730)	(1 318)	(1 164)	(363)	(8 575)
CURRENT OPERATING INCOME	5 785	1 083	(392)	(2 216)	4 261
Other revenues (expenses), net				(251)	(251)
OPERATING INCOME	5 785	1 083	(392)	(2 467)	4 010
Net financial expense					(4 509)
Shares of profit/(loss) of associates					
PROFIT BEFORE TAX					(499)
Income tax benefit (expense)					(684)
Earnings from retained operations					(1 183)
Earnings from discontinued operations					
NET INCOME OF CONSOLIDATED COMPANIES					(1 183)
Of which non-controlling interests (Minority interests) from retained businesses					592
Of which non-controlling interests (Minority interests) from discontinued operations					
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(1 774)
Including earnings from retained businesses					(1 774)
Including earnings from discontinued operations					

DECEMBER 31, 2018 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
Leasing revenues on owned equipment	33 588	6 478	4 939	141	45 145
Leasing revenues on managed equipment	12 574		59 592		72 167
Ancillary services	7 257	5 959	3 465	548	17 228
Total leasing activity	53 419	12 437	67 996	688	134 540
Sales of owned equipment	2 226	2 065	6 537	6 393	17 220
Margin on sales of managed equipment			1 529		1 529
Total sales of equipment	2 226	2 065	8 066	6 393	18 749
TOTAL REVENUE	55 645	14 501	76 062	7 081	153 289
Fees on syndication	687		310		997
Capital gains or losses on disposals unrelated to recurring activities				255	255
REVENUE FROM ACTIVITIES	56 332	14 501	76 372	7 336	154 541
Cost of sales of equipment	(434)	(1 127)	(5 800)	(6 283)	(13 644)
Operating expenses	(18 296)	(6 208)	(8 300)	(1 151)	(33 955)
General, commercial and administrative expenses	(9 435)	(2 645)	(7 951)	(3 811)	(23 842)
GROSS OPERATING MARGIN (EBITDAR)	28 167	4 521	54 321	(3 909)	83 100
Net distributions to investors	(5 293)		(52 110)		(57 403)
EBITDA	22 874	4 521	2 211	(3 909)	25 697
Depreciation, amortization and impairments	(11 818)	(2 668)	(2 497)	(758)	(17 741)
CURRENT OPERATING INCOME	11 056	1 853	(286)	(4 667)	7 956
Other revenues (expenses), net				156	156
OPERATING INCOME	11 056	1 853	(286)	(4 511)	8 112
Net financial expense					(10 243)
Shares of profit/(loss) of associates					
PROFIT BEFORE TAX					(2 131)
Income tax benefit (expense)					(475)
Earnings from retained operations					(2 606)
Earnings from discontinued operations					(955)
NET INCOME OF CONSOLIDATED COMPANIES					(3 561)
Of which non-controlling interests (Minority interests) from retained businesses					597
Of which non-controlling interests (Minority interests) from discontinued operations					
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(4 158)
Including earnings from retained businesses					(3 203)
Including earnings from discontinued operations					(955)

note 3.2. BALANCE SHEET BY DIVISION

June 30, 2019* <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
ASSETS					
Goodwill	5 101				5 101
Intangible assets	514	25	142	14	695
Rental equipment & other PPE, net	209 506	36 760	46 468	3 634	296 369
Right of use	400	8 389	673	6 248	15 711
Long-term financial assets	1 225	115	3 741	6 114	11 195
Other non-current assets	795	196	51		1 042
Deferred tax assets				92	92
TOTAL non-current assets	217 541	45 486	51 076	16 102	330 205
Inventory and work-in-progress	27 072	2	19 605	1 441	48 120
Trade receivables, net	7 558	1 518	16 018	3 033	28 127
Other current assets	927	930	682	3 367	5 905
Cash and cash equivalents				59 036	59 036
TOTAL current assets	35 557	2 449	36 305	66 877	141 188
TOTAL ASSETS					471 393
LIABILITIES					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				(1 651)	(1 651)
Profit (loss) for the fiscal year, Group's share				(2 534)	(2 534)
Equity attributable to the owners of the parent company				102 068	102 068
Non controlling interests (Minority interests)	33 239			(8 471)	24 768
Consolidated shareholders' equity				93 597	126 836
Loans and borrowings				125 971	125 971
Long-term lease liabilities				8 936	8 936
Deferred tax liabilities				2 017	2 017
Employee benefits		31	38	284	353
Other long-term liabilities			42		42
TOTAL non-current liabilities		31	80	137 207	137 319
Provisions				93	93
Short-term lease liabilities				1 461	1 461
Loans and borrowings				128 684	128 684
Trade payables	11 299	1 112	2 142	3 615	18 168
Other current liabilities	7 588	889	43 433	6 922	58 832
TOTAL current liabilities	18 888	2 001	45 575	140 775	207 238
TOTAL LIABILITIES					471 393
Tangible & intangible investments during the period					
	9 340	138	287	65	9 830
Workforce by business (FTE)	59	8	39	157	263

* On the 1st of January 2019, IFRS 16 "Leasing contract" has been applied according to the simplified retrospective method. As a consequence, the 2018 financial statements have not been restated.

June 30, 2018 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
ASSETS					
Goodwill	5 101				5 101
Intangible assets	524	2	163	63	752
Rental equipment & other PPE, net	199 720	47 327	32 325	4 257	283 629
Long-term financial assets	2 289	107	3 670	6 189	12 254
Other non-current assets	452	251	1 213	700	2 617
Deferred tax assets				103	103
TOTAL non-current assets	208 085	47 687	37 372	11 312	304 456
Inventory and work-in-progress	16 658	2	14 620	2 315	33 595
Trade receivables, net	8 890	1 718	15 707	3 313	29 627
Other current assets	2 307	896	1 244	3 587	8 034
Cash and cash equivalents				33 186	33 186
TOTAL current assets	27 855	2 616	31 570	42 401	104 442
Assets of discontinued operations					
TOTAL ASSETS					408 898
LIABILITIES					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				6 576	6 576
Profit (loss) for the fiscal year, Group's share				(1 774)	(1 774)
Equity attributable to the owners of the parent company				111 055	111 055
Non controlling interests (Minority interests)	31 151			(7 125)	24 026
Consolidated shareholders' equity				103 931	135 081
Loans and borrowings				179 934	179 934
Deferred tax liabilities				2 001	2 001
Employee benefits		26	27	145	198
Other long-term liabilities			800		800
TOTAL non-current liabilities		26	828	182 080	182 933
Provisions				140	140
Loans and borrowings				32 610	32 610
Trade payables	8 488	997	1 489	3 834	14 806
Other current liabilities	6 634	578	28 234	7 882	43 328
TOTAL current liabilities	15 122	1 575	29 722	44 465	90 884
Liabilities associated with assets of discontinued operations					
TOTAL LIABILITIES					408 898
Tangible & intangible investments during the period					
	8 799	443	29	95	9 366
Workforce by business (FTE)	56	8	40	138	242

December 31, 2018 (€ thousands)	Freight Railcars	River Barges	Containers	Miscellaneous & eliminations	TOTAL
ASSETS					
Goodwill	5 101				5 101
Intangible assets, net	515	30	193	11	749
Fixed assets, net	203 799	46 076	34 321	3 976	288 172
Long-term financial assets	1 195	113	3 720	6 114	11 142
Other non-current assets	545	215	776	815	2 352
Deferred tax assets				95	95
TOTAL non-current assets	211 155	46 434	39 010	11 010	307 611
Inventory and Work in Progress	24 139	2	40 532	2 511	67 184
Trade receivables, net	8 288	1 632	16 277	2 911	29 107
Other current assets	1 062	589	1 590	3 015	6 255
Cash and cash equivalents				29 246	29 246
TOTAL current assets	33 489	2 223	58 399	37 682	131 793
Assets to be sold					
TOTAL ASSETS					439 404
LIABILITIES					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				2 962	2 962
Profit (loss) for the fiscal year, Group's share				(4 158)	(4 158)
Equity attributable to owners of the parent company				105 057	105 057
Non controlling interest (Minority interests)	32 207			(8 150)	24 057
Consolidated shareholders' equity				96 908	129 114
Loans and borrowings				168 972	168 972
Deferred tax liabilities				2 114	2 114
Employee benefits		31	38	284	353
Other long-term liabilities			543		543
TOTAL non-current liabilities		31	581	171 370	171 982
Provisions				504	504
Loans and borrowings				56 544	56 544
Trade payables	7 589	872	1 928	3 695	14 084
Other current liabilities	4 100	676	54 533	7 867	67 176
TOTAL current liabilities	11 689	1 547	56 461	68 610	138 308
Liabilities associated with assets to be sold					
TOTAL LIABILITIES					439 404
Tangible & intangible investments during the year	18 040	634	3 197	245	22 117
Workforce by business (FTE)	59	8	40	139	246

note 3.3. GEOGRAPHICAL SEGMENT REPORTING

<i>(in thousands of euros)</i>	International	Europe	Americas	Other	TOTAL
06.2019					
Revenue from activities	39 599	33 339	1 378	5 179	79 495
Tangible & intangible investments	6	9 276		548	9 830
Sectoral non-current assets	4 866	279 046	21 009	25 192	330 113
06.2017					
Revenue from activities	37 459	31 879	1 910	3 181	74 429
Tangible & intangible investments	4	6 786		2 576	9 366
Sectoral non-current assets	37 219	227 372	21 684	18 078	304 353
12.2018					
Revenue from activities	76 259	67 372	3 262	7 648	154 541
Tangible & intangible investments	3 102	13 653		5 362	22 117
Sectoral non-current assets	38 826	225 460	21 482	21 748	307 516

The geographical segments correspond to the location of Group companies, except for the Containers business which reflects the location of the assets, which is international by nature (international zone).

NOTES TO THE INCOME STATEMENT

note 4. REVENUE FROM ACTIVITIES

<i>Breakdown by type</i> <i>(in thousands of euros)</i>	06.2019	06.2018	Variation June 2018/2019	12.2018
Leasing revenues on owned equipment	23 884	22 696	5,23%	45 145
Leasing revenues on managed equipment	32 579	35 317	-7,75%	72 167
Ancillary services	9 470	7 152	32,41%	17 228
Total leasing activity	65 933	65 165	1,18%	134 540
Sales of owned equipment	10 196	7 722	32,04%	17 220
Margin on sales of managed equipment	2 528	563	349,02%	1 529
Total sales of equipment	12 724	8 285	53,6%	18 749
TOTAL Revenue	78 657	73 450	7,1%	153 289
Fees on syndication	382	976	-60,9%	997
Capital gains or losses on disposals unrelated to recurring activities	456	2	22700,0%	255
Revenue from activities	79 495	74 429	6,8%	154 541

note 5. PAYROLL EXPENSE

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Salaries and social security charges	(7 907)	(7 635)	(15 931)
Workforce (FTE)	263	242	246

note 6. NET DISTRIBUTIONS TO INVESTORS

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

<i>(in thousands of euros)</i>	06.2019	06.2018	Variation June 2018/2019	Variation (en %)	12.2018
Freight Railcars	(2 658)	(2 062)	(596)	28,9%	(5 293)
Containers	(24 344)	(25 364)	1 020	-4,0%	(52 110)
TOTAL	(27 002)	(27 426)	424	-1,5%	(57 403)

They represent the payment of the leasing revenues from equipment belonging to investors minus the management costs of this equipment (repair, storage, overhaul, etc.). These amounts are variable.

note 7. OTHER OPERATING REVENUES (EXPENSES), NET

In 2019, there is no other operating revenue (expense).

In June 2018, other operating expenses and income amounted to €0.3 million, corresponding to legal and consultancy fees for establishing the litigation file with TDR Capital LLP. These costs were reclassified in the accounts of 31 December as discontinued operations.

note 8. NET FINANCIAL EXPENSE

<i>(in thousands of euros)</i>	06.2019	06.2018	Variation June 2017/2018	12.2018
Interest income	20	11	9	20
Interest expense	(5 443)	(4 379)	(1 064)	(10 081)
Cost of loans and borrowings	(5 443)	(4 379)	(1 064)	(10 081)
Net interest expense	(5 423)	(4 368)	(1 055)	(10 061)
Profit and loss on debt extinguishment	(1 380)	(312)	(1 068)	(228)
Dividends	19			
Financial income and charges from discounting	60	15	45	3
Other financial income and charges	135	156	(21)	43
Other financial income (expenses), net	(1 166)	(141)	(1 025)	(182)
NET FINANCIAL EXPENSE	(6 589)	(4 509)	(2 080)	(10 243)

Net financial expenses increased by €2.1 million (or +46%), changing from an expense of -€4.5 million in June 2018 to an expense of -€6.6 million in June 2019.

The net financial expense is broken down into the cost of net financial debt and other financial income and expenses:

- The cost of financial debt increased by €1 million between the two periods. This variation is explained by new financing in the Containers and Corporate Divisions. The application of IFRS 16 contributes to this increase for €0.2 million.
- Other financial income and expenses increased by €1 million. It includes an exceptional foreign exchange loss of €1.2 million on intra-group loans in USD that was not offset by currency hedging with Monex Europe Markets Limited, an English broker authorized and regulated by the FCA in the UK. A dispute with Monex in respect of this loss is ongoing.

note 9. INCOME TAX EXPENSE

The income tax expense included on the income statement is broken down as follows:

<i>(in thousands of euros)</i>	06.2019			06.2018			12.2018		
	Payable	Deferred	Total	Payable	Deferred	Total	Payable	Deferred	Total
Europe	(8)	14	6	255	(325)	(70)	794	(522)	272
United States					(10)	(10)	(55)	(45)	(100)
Other	(515)		(515)	(660)	56	(604)	(682)	35	(647)
TOTAL	(523)	14	(510)	(405)	(278)	(684)	57	(532)	(475)

Income tax records a tax expense of €0.5 million for pre-tax income before tax of -€1 million. It breaks down into deferred tax income of €6 million and a current tax charge of €0.5 million.

note 10. NET INCOME FROM DISCONTINUED OPERATIONS

Net income from discontinued operations recorded a price adjustment of €572 thousand (provisioned for €331 thousand on 31 December 2018), as well as legal fees. (see Note 23.1).

note 11. NET EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the company's net income by the weighted average number of outstanding shares during the period. Treasury shares are accounted in deduction.

Diluted income per share is calculated by adjusting the weighted average number of outstanding shares, to take into account the conversion of all potentially dilutive equity instruments. At 30 June 2019, the Group did not have any potentially dilutive equity instruments owing to a negative net result.

	06.2019	06.2018	12.2018
Net earnings in euros	(2 533 596)	(1 774 109)	(4 158 368)
Outstanding shares	7 011 547	7 001 547	7 001 547
Weighted average number of outstanding ordinary shares	7 001 568	7 003 144	7 002 362
Potential number of shares - 2015 bond (ORNANE)			
Weighted average number of shares for calculation of the diluted earning per share	7 001 568	7 003 144	7 002 362
NER EARNINGS PER SHARE			
- basic	(0,36)	(0,25)	(0,59)
- diluted	(0,36)	(0,25)	(0,59)

NOTES TO THE BALANCE SHEET

note 12. GOODWILL

There is no variation in goodwill:

<i>(in thousands of euros)</i>	06.2018	12.2018	Increase	Reduction	Currency translation	Discontinued operations	06.2019
Freight Railcars							
SRF Railcar Leasing	547	547					547
Touax Rail Limited	4 554	4 554					4 554
TOTAL	5 101	5 101					5 101

note 13. FIXED ASSETS

Fixed assets mainly record leasing equipment.

note 13.1. BREAKDOWN BY TYPE

<i>(in thousands of euros)</i>	06.2019			06.2018	12.2018
	Gross value	Amort.	Net value	Net value	Net value
Land and buildings	5 315	(2 349)	2 966	3 282	3 099
Equipment	394 494	(105 343)	289 151	277 833	281 379
Other tangible fixed assets	8 278	(7 416)	862	1 030	1 036
Current tangible fixed assets	3 390		3 390	1 484	2 658
TOTAL	411 477	(115 108)	296 369	283 629	288 172

On 31 December 2018, the gross finance lease amount on the asset side (on the Equipment line) was €18 million. This amount has been reclassified in the Usage right item (note 15).

note 13.2. CHANGES IN GROSS VALUE, BY TYPE

<i>(in thousands of euros)</i>	01.01.2019	Purchases	Sales	Variation in conversion	Reclassification	06.2019
Land and buildings	5 431	8	(153)	29		5 315
Equipment	383 293	8 984	(2 261)	602	3 877	394 495
Other tangible assets	8 200	128	(22)	19	(48)	8 277
Tangible assets in progress	2 658	694		44	(6)	3 390
TOTAL gross values	399 582	9 814	(2 436)	694	3 823	411 477

note 14. NON-CURRENT FINANCIAL ASSETS

Long-term financial assets at June 30, 2019 totalled €11.2 million compared to €11.1 million at December 31, 2018.

Financial assets mainly consist of:

- An escrow account of €5.8 million related to the sale of the module activity in 2017. The repayment of €1.3 million was recorded in July.
- Security deposits with tax authorities for €3.5 million.
- Touax Rail Limited's stake in an asset company for €0.9 million.
- Other security deposits for the balance.

■ Other non-current assets totalled €1 million at June 30, 2019 compared to €2.4 million at December 31, 2018.

They comprise finance leases granted to customers with a maturity of more than one year for €0.1 million, trade receivables with a maturity of more than one year for €0.1 million, a VAT receivable for €0.8 million.

The €1.4 million variation is mainly due to the cancellation of the asset derivative instrument for €0.8 million and a customer receivable reclassified as a current asset because it matures in under one year.

note 15. RIGHT OF USE

<i>(in thousands of euros)</i>	06.2019		
	Gross value	Dep.	Net value
Freight railcars (vehicle lease agreements and real estate lease)	465	(65)	400
River Barges	11 798	(3 409)	8 389
Barges	11 714	(3 397)	8 317
Vehicle lease agreement and real estate lease	84	(12)	72
Containers (vehicle lease agreements and real estate lease)	772	(98)	673
Modular Buildings Africa	255	(34)	221
Equipment	63	(6)	57
Vehicle rental	192	(28)	164
Corporate (vehicle lease agreements and real estate lease)	6 442	(414)	6 027
TOTAL	19 731	(4 021)	15 711

note 16. INVENTORIES AND WORK IN PROGRESS

Inventories and WIP include equipment to be sold as well as spare parts.

<i>(in thousands of euros)</i>	06.2019			06.2018	12.2018
	Gross value	Depreciation	Net value	Net val.	Net val.
Equipment	23 119	(108)	23 011	16 619	44 906
Spare parts	25 109		25 109	16 977	22 278
TOTAL	48 228	(108)	48 120	33 595	67 184

note 17. OTHER CURRENT ASSETS

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Accrued expenses	844	1 842	1 082
Taxes & duties	4 051	5 265	4 109
Receivables due within 1 year - Finance lease	240	284	289
Other	770	643	775
TOTAL	5 905	8 034	6 255

note 18. FINANCIAL LIABILITIES

Non-current and current financial liabilities correspond to “loans and borrowings” and “current bank loans”.

■ Analysis of financial liabilities by category

The table below shows the group's debt on 30 June 2019.

<i>(in thousands of euros)</i>	06.2019			06.2018			12.2018		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Bond	16 434	24 599	41 033	23 242	7 502	30 743	16 402	24 275	40 677
Medium-term loans with recourse	40 425	12 157	52 582	11 797	3 105	14 903	5 677	7 912	13 589
Finance lease commitments (1)				3 074	4 316	7 389	2 541	3 754	6 295
Renewable credit with recourse		3 000	3 000					2 000	2 000
Renewable credit without recourse	69 112	85 298	154 410	141 822	13 364	155 185	144 351	15 362	159 713
Current bank facilities with recourse		2 055	2 055		3 007	3 007		1 902	1 902
Current bank facilities without recourse		164	164		514	514		487	487
Derivative liabilities without recourse		1 411	1 411		804	804		853	853
TOTAL FINANCIAL LIABILITIES	125 971	128 684	254 655	179 934	32 610	212 544	168 972	56 544	225 516

Debts "without recourse" are not secured by TOUAX SCA the parent company of the Group. They concern:

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

Changes in financial debt are presented in the table below:

<i>(€ thousands)</i>	June 30, 2019		Non cash "variations"					Closing
	Opening	Cash flow	Changes in scope of consolidation	Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	
Bond issue	40 677				(217)	574	357	41 033
Medium/long-term loans with recourse	13 589	38 878		89		26	115	52 582
Finance lease commitments with recourse	6 295					(6 295)	(6 295)	3 000
Revolving lines of credit with recourse	2 000	1 000						154 410
Debt without recourse	159 713	(5 620)		413		(96)	318	1 411
Liabilities on derivatives with and without recourse	853				558		558	
Subtotal	223 127	34 258		503	341	(5 791)	(4 947)	252 436
Bank overdrafts payable with and without recourse	2 389	142	(316)			4	(312)	2 219
Total financial liabilities	225 516	34 400	(316)	503	341	(5 786)	(5 258)	254 655

<i>(€ thousands)</i>	June 30, 2018		Non cash "variations"					Closing
	Opening	Cash flow	Changes in scope of consolidation	Exchange rate effects	Fair value changes	Other variations	Total "Non cash"	
Bond issue	30 038	(78)			783		783	30 743
Medium/long-term loans with recourse	15 918	(1 382)		366			366	14 903
Finance lease commitments with recourse	7 947	(558)						7 389
Revolving lines of credit with recourse	23 697	(2 475)				(21 222)	(21 222)	155 185
Debt without recourse	131 242	1 888		835		21 222	22 057	804
Liabilities on derivatives with and without recourse	979	(2)			31	(204)	(174)	
Subtotal	209 820	(2 608)		1 202	814	(204)	1 812	209 023
Current bank accounts with and without recourse	1 101	2 412		6			6	3 521
Total financial liabilities	210 922	(196)		1 208	814	(204)	1 818	212 544

Change in indebtedness

On 30 June 2019, consolidated net indebtedness is as follows:

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Financial liabilities	254 655	212 544	225 516
Derivative instruments asset		700	815
Cash assets & Negotiable securities	59 036	33 186	29 246
Consolidated net financial indebtedness	195 619	178 658	195 455
Non-recourse debt	155 986	156 503	161 053
Financial indebtedness excluding non-recourse debt	39 633	22 155	34 402

All contractual financial ratios existing on certain short and medium term bank loans are respected at 30 June 2019.

On 30 June 2019, the increase in cash and financial liabilities, compared to the end of 2018, corresponds mainly to the ongoing refinancing of the ORNANE debt, the funds having been raised in June 2019 and the repayment of the ORNANE debt being incurred during the 2nd half of 2019.

note 19. LEASE LIABILITIES

<i>(in thousands of euros)</i>	06.2019		Total
	Non-current	Current	
Freight railcars (vehicle lease agreements and real estate lease)	276	127	403
River Barges	2 310	579	2 889
barges	2 260	557	2 817
vehicle lease agreement and rental	50	23	73
Containers (vehicle lease agreements and real estate lease)	465	215	679
Modular Buildings Africa	150	59	210
equipment	34	10	44
vehicle rental	116	49	166
Corporate (vehicle lease agreements and real estate lease)	5 734	480	6 216
TOTAL	8 936	1 461	10 397

The reconciliation between the off-balance sheet lease commitments and the IFRS 16 lease liability is presented in the table below:

<i>(in thousands of euros)</i>	06.2019
Off balance sheet leasing commitments 31 December 2018	2 386
Commitments relating to short-term or low value contracts	(262)
Liabilities linked to IAS 17 finance leases	6 349
Commitments relating to non-operating equipment leases (vehicles)	615
Other commitments relating to property contracts	5 217
Leasing liabilities on 1 January 2019	14 305
Repayment of the leasing liability (property)	(345)
Repayment of the leasing liability (non-operating equipment)	(73)
Repayment of the liability linked to IAS 17 finance leases	(3 488)
Leasing liabilities on 30 June 2019	10 398

note 20. SHAREHOLDERS' EQUITY

Details of Shareholders' Equity are given in the Schedule of Changes in Shareholders' Equity.

Management of capital

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.

Hybrid debt

The Group issued two Undated Super Subordinated Notes (TSSDI) in 2013 and another in 2014, constituting a single stub to the amount of €50.8 million. In accordance with IFRS standards, these securities are accounted for as equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of the Group's assets and its business development financing requirements.

Hybrid debt				
<i>(in thousands of euros)</i>				
	Part 1	Part 2	Part 3	TOTAL
Issue price	20 525	12 250	18 025	50 800
Costs	(481)	(156)	(2)	(639)
Hybrid debt after deduction of loan issuing	20 044	12 094	18 023	50 161
Coupons received		301	1 158	1 460
TOTAL	20 044	12 395	19 182	51 621

note 21. PROVISIONS

<i>(in thousands of euros)</i>	2018	Allocation	Reversal used	Reversal not used	Exchange rate fluctuations	Discontinued operations	06.2019
Other (Africa and Holding)	504		(351)	(60)			93
TOTAL	504		(351)	(60)			93

note 22. OTHER CURRENT LIABILITIES

<i>(in thousands of euros)</i>	06.2019	06.2018	12.2018
Capital creditors	8 291	1 608	25 404
Tax and social security liabilities	4 418	7 564	3 938
Accounts payable	35 874	26 861	29 375
Other current liabilities	9 449	6 526	1 016
Deferred revenue	800	768	7 443
TOTAL	58 832	43 328	67 176

Accounts payable mainly constitute income due to investors from the Containers and Freight Railcars businesses.

note 23. OFF-BALANCE SHEET COMMITMENTS

■ Bank guarantees issued on the Group's behalf at June 30, 2019

<i>(in thousands of euros)</i>	Amount	Maturity date
Bank guarantee	1 221	
Freight Railcars	20	2019
River Barges	6	Undated
Modular Buildings Africa	1 195	Undated

■ Firm orders for equipment

Firm orders and investments at June 30, 2019 amounted to €74.98 million, including €73.68 million for freight railcars and €1.3 million for barges.

■ Secured debt provided

To guarantee the loans granted to finance the Group's proprietary assets (excluding leasing agreements) or assets under management, TOUAX SCA and its subsidiaries have granted the following security interests:

<i>(in thousands of euros)</i>	Commencement	Maturity	30 June 2019		%
			Asset pledged (gross value)	Total of balance sheet item (gross value)	
Mortgages (River Barges)			24 622	58 984	41,7%
	2012	2020	5 008		
	2012	2019	9 807		
	2013	2020	9 807		
Tangible assets pledged			243 755	388 581	62,7%
Freight Railcars			192 062	318 022	
	2018	2023	100 822		
	2018	2021	216		
	2015	2020	91 024		
Containers			51 693	70 560	
	2018	2020	51 693		
TOTAL GROUP			268 377	447 565	

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings. No other special conditions apply.

As part of Touax SCA's secured loan set up on 21 June worth €40 million, shares in the entities of Touax Container Service SAS, Touax River Barges SAS and Touax Rail Limited were pledged for the benefit of the lender.

■ Guarantees

Guarantees are given by the parent company in return for the bank loans granted to its subsidiaries.

<i>(in thousands of euros)</i>	less than one year	1 to 5 years	more than 5 years	TOTAL
Securities given to banks in consideration of bank loans used by the subsidiaries - remaining capital	10 987	3 848		14 835

note 23.1. CONTINGENT LIABILITIES

■ Tax audit

Since 2012, Touax Container Investment Ltd has been subject to audit by the tax authorities. This audit resulted in numerous requests for information to which we responded in a precise and documented manner. In order to continue the adversarial principle, the Group was forced by the regulations to buy tax certificates (equivalent to \$4.4 million since the beginning of the procedure and up to this date). The procedure is still ongoing since the administration must now rule on the Group's objections before transferring the file to the courts in case of disagreement. Since the position of the administration is unfounded according to our analyses, no provision has been recorded in the accounts to date.

■ Guarantee of Liabilities

As part of the disposal of the Modular Buildings Europe activity in 2017, a price adjustment clause and a guarantee of assets and liabilities had been concluded with the buyer, WH BIDCO.

WH BIDCO made a claim with regard to the price adjustment clause. The final sale price adjustment was set at €572 thousand euros (see note 10).

WH BIDCO also made a claim for the guarantee of assets and liabilities in December 2018. Since the sale contract limits the maximum compensation that can be claimed under this guarantee, Touax challenged the admissibility and merits of WH BIDCO's claim. The purchaser agreed that this request was no longer valid after the intervention of an expert. It was agreed with the purchaser that no further claims will be made on this subject in the future.

In addition, the guarantee of assets and liabilities, granted for potential corporate and commercial litigation, continues. No provision has been recorded for this guarantee in the accounts of 30 June 2019.

note 24. POST BALANCE SHEET EVENTS

- Payment of a coupon to the TSSDI holders**

TOUAX paid a coupon to the holders of Undated Super Subordinated Notes (TSSDI) for an amount of €4 million in August 2019.

- On the 1st of August 2019, Touax SCA issued a senior unsecured bond through a Euro PP with a par value of €10 million and a maturity date as of the 1st of February 2025.**

The net proceeds of this issuance will be used to finance the investments of the Group and will enable to extend the average maturity of the debt.

3. ATTESTATION BY THE AUTHORS OF THE HALF-YEAR FINANCIAL REPORT

"We certify that, to the best of our knowledge, the condensed consolidated half-year financial statements for the past half year have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the company and of all of the companies included in the consolidation perimeter, and that the half-year progress report gives a true and fair view of the important events that occurred during the first six months of the financial year, their impact on the financial statements, the main related-party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

September 16, 2019

Fabrice and Raphaël Walewski,

Managing Partners

4. STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL REPORT

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

To the Shareholders,

In accordance with our appointment as statutory auditors by your Shareholders' Meeting and pursuant to the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed consolidated half-year financial statements of Touax, for the six-month period from January 1 to June 30, 2019;
- the verification of the information contained in the half-year management report.

These condensed consolidated half-year financial statements have been prepared under the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of the executive management team responsible for financial and accounting matters, and applying analytical and other review procedures. These inquiries are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements taken as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that these condensed consolidated half-year financial statements are not prepared in accordance with IAS 34, as adopted by the European Union applicable to interim financial information.

Without qualifying the above conclusion, we draw your attention to *Note 1.1 – Basis for preparing and presenting the condensed consolidated half-year financial statements for the period ended June 30, 2019*, which presents the impacts arising from the first-time application of IFRS 16 "Lease".

II. Specific verification

We also verified the information presented in the half-year management report commenting the condensed consolidated half-year financial statements subject to our limited review. We have no comments to make on its fair presentation and its consistency with the condensed consolidated half-year financial statements.

Paris and Paris La Défense, September 16, 2019

The Statutory Auditors

RSM PARIS

Stéphane MARIE

Deloitte & Associés

Jean-François VIAT