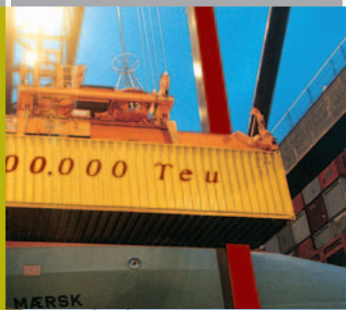
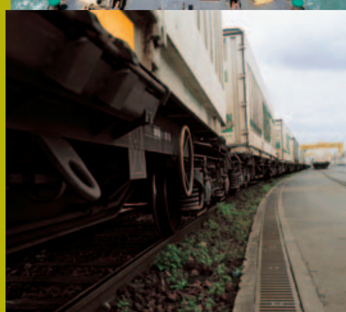
TOUAX

annual report

your operational leasing solution

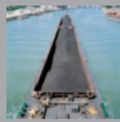




2004

contents






Your operational leasing solution

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

The TOUAX Group has increased its turnover by 1.5 times in the past five years, to an operating revenue of €180.6 million in 2004, 89% of which was generated outside France.

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

- shipping containers, a fleet of about 255,000 TEU (twenty foot equivalent units) throughout the world, placing the Group second in continental Europe and 10th worldwide (source: Containerisation International, Market Analysis, Container Leasing Market 2004);
- modular buildings for offices, schools and hospitals, used by industry, local authorities and the construction and public works sector. TOUAX is the third-largest European leasing company and the fifth-largest in the world, with a fleet of about 20,000 units in Europe and the United States (source: TOUAX);
- river barges for leasing and the transportation of dry bulk goods in Europe and the USA. With 184 units and a transport capacity of about 395,000 tons (source: TOUAX), the Group is one of the leading operators in Europe;
- railcars for the transportation of goods by railway companies and major industrial groups in Europe and the USA. The Group manages a fleet of 2,668 railcars.

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

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

As of 31 December 2004, the Group managed equipment on its own behalf and on behalf of institutional investors for a value of €541 million.

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

review of the year and outlook

The Group has continued its development in the operational leasing of standardized mobile equipment (shipping containers, modular buildings, river barges, freight railcars). The Group's net attributable income grew by 25% in 2004.

The worldwide economy accelerated in 2004 with a 4.5% growth rate and a worldwide trade increase estimated at 8.5% by the World Trade Organization (compared to 3.7% and 4.5% respectively in 2003). The Group, with its clear focus on international markets (89% of its revenues are generated outside France), is continuing to benefit from this increase in activity.

The shipping container business is benefiting from this growth driven by the economic awakening of China and the revival of the American economy. Utilization rates have reached unprecedented levels nearing 95%. As a result, stocks of unused containers have fallen, particularly in regions of low demand such as North America and Europe. This improvement has enabled the Group to sign new rental contracts and increase its shipping containers fleet by nearly 20%, increasing the total capacity under management to 255,000 TEU (twenty-foot equivalent container units).

The modular building business temporarily suffered from the low level of industrial investments, particularly in France where average leasing rates have fallen again by 12%. A significant recovery is under way in Germany and the United States. Business in Spain and Poland is good once again. In this context, the Group has managed to maintain an average utilization rate of 74% in 2004, compared to 75% in 2003. TOUAX is pursuing its positioning on long-term contracts with industries and regional communities, and expects a recovery in investments for 2005.

The river barge business has improved markedly thanks to its repositioning on leasing and long-term contracts driven by the rise in trade commodities. Operating conditions have returned to normal across all river systems, in particular the Danube. After several difficult years, this business is returning to profitability, in spite of the rise in oil prices.

The railcar business is continuing to benefit from the liberalization of rail transport in Europe. In order to accommodate demand, in 2004 the Group purchased 750 intermodal railcars including 300 secondhand intermodal railcars which were all leased through long-term contracts.

In order to accommodate the sustained growth in activity, TOUAX has continued its policy of attracting the resources necessary for its development through outside investors. This model enables the Group to achieve growth while limiting its debt. In addition to its 125 million euros of assets, TOUAX manages 426 million euros of equipment on behalf of third parties under management programs. These programs offer investors attractive profitability due to the intrinsic quality of the investments: mobile and standardized equipment with low obsolescence and strong residual values, on long-term contracts and with recurrent profitability.

The outlook for 2005 remains good, albeit varying depending on the individual businesses. The Group remains confident in the pertinence of its long-term growth model, underpinned by the know how of its workforce, its diversification, the quality of its management and its ability to attract investors. TOUAX expects sales to increase by 5% and a net result in line with that of 2004 subject to changes in the economic climate.

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

Fabrice and Raphaël Walewski
Co-Chairmen

shipping lines

international trade

standardization

recent fleet

13 Branches in Asia, Europe, North America, South America, Australia and India

3.7 YEARS Average age of the fleet

shipping containers

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

A strong growth market

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

With its American subsidiary (Gold Container Corporation), the TOUAX Group has seen its fleet size increase over the past eight years by more than 230,000 TEU (twenty foot equivalent units), growing from 26,456 TEU in 1996 to 255,709 TEU at the end of 2004). The company is now the tenth-largest lessor worldwide and the second-largest in continental Europe (source: Containerisation International, Market Analysis: Container Leasing Market 2004).

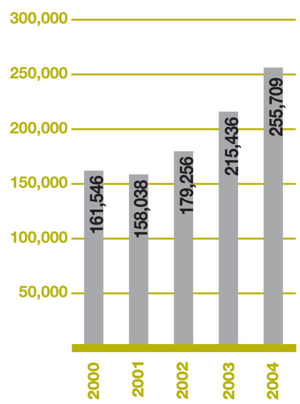
The TOUAX service

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

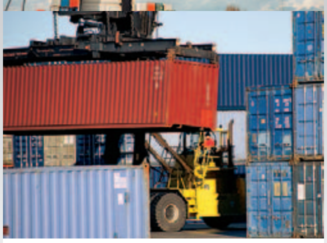
Its fleet is constantly being updated and now has an average age of 3.7 years.

Gold Container Corporation offers a very wide range of contracts:

– short-term operational leases (renewable annual contract of the "master lease" type);
– long-term operational leases (3 to 7 years) with or without option to purchase; lease-purchase. These contracts represent 82% of the fleet managed by Gold Container Corp;
– sale and leaseback program.



Fleet managed by the Group



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

Presence

The Group maintains an international presence through a network of five offices (in Paris, Miami, Hong Kong, Singapore and Shanghai), 8 branches in Asia, Europe, North and South America, Australia and India and is linked to approximately 150 depots in the world's leading ports, thereby providing global coverage for all its customers.

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

By 2010 the Group aims to achieve a fleet size of 500,000 TEU, to meet the demands of its principal customers and thus consolidate its position among the world's 10 leading lessors of shipping containers.

offices
schools
hospitals
community facilities

3rd In Europe
5th In the world (source: TOUAX)

modular buildings

A flexible service for a diverse customer base.

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

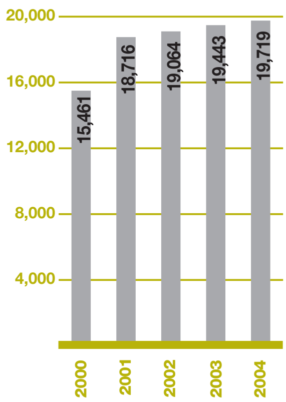
At the end of 2004, TOUAX operated a fleet of 19,719 units, placing it third in Europe and fifth in the world (source: TOUAX).

Clear advantages

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

A diverse customer base

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



Fleet managed by the Group

Development of a branch network in Europe and the USA

The Group operates across an increasingly wide geographical area.

In France, TOUAX has many branches.

The Group is also present in Germany (Hamburg/Kiel, Rostock, Berlin and Frankfurt), in the Netherlands at Moerdijk, in Belgium at Leuven, in Spain at Madrid and Barcelona, in Poland at Gdansk, Poznan, Warsaw and Katowice and in Florida and Georgia in the United States.

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

environmentally friendly
competitive
leasing
transportation

184 Barges, self-propelled barges and pushboats

1st In Europe dry cargo barges (source: TOUAX)

river barges

A growth service driven by economical and environmental benefits.

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

A solid reputation for quality service among industry and transport operators

The Group provides two types of service:
– transportation and chartering (40% of units),
– leasing of river barges (60% of units).

As at 31 December 2004, the TOUAX Group managed a fleet of 184 barges, self-propelled vessels and pushboats (including 175 barges), making it the largest company in Europe providing barge transport of bulk dry cargo, with a daily transport capacity of 394,824 tons (source: TOUAX).

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

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

International presence

TOUAX benefits from a wide geographical presence:

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

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

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

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

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

flexible leases
intermodal cars
hopper cars
combined rail-road

2nd Largest European lessor of intermodal rail cars (source: TOUAX)
4 Offices in Europe and USA

freight railcars

Services for industrial operators and rail networks.

Resumption of investments and development of leasing

In the 19th century, the development of the railway boosted and improved international trade. Rail transport was the principal mode of transportation until 1930. It was seriously challenged by road transport for many years, but is today regaining its leading role. Governments are turning increasingly to this mode of transport for economic and environmental reasons. The advanced age of the railcar fleet (estimated at over 30 years in Europe) requires substantial investment, which will be provided by both operators and lessors.

The TOUAX service

In Europe

Bolstered by its leading position in the European container leasing market, TOUAX has specialized in intermodal railcars for the transportation of shipping containers and swap bodies, placing its expert market knowledge at its customers' disposal.

The railcars offered by the Group (mainly 45', 60', 90' and 106' intermodal flat railcars) can circulate freely throughout mainland Europe (including Great Britain for certain types of railcar, but excluding Spain and Russia).

TOUAX has developed a continuous production line of new railcars and can therefore offer short delivery times. The company also offers the leasing and sale of renovated railcars from Eastern Europe.

In the United States

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

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

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

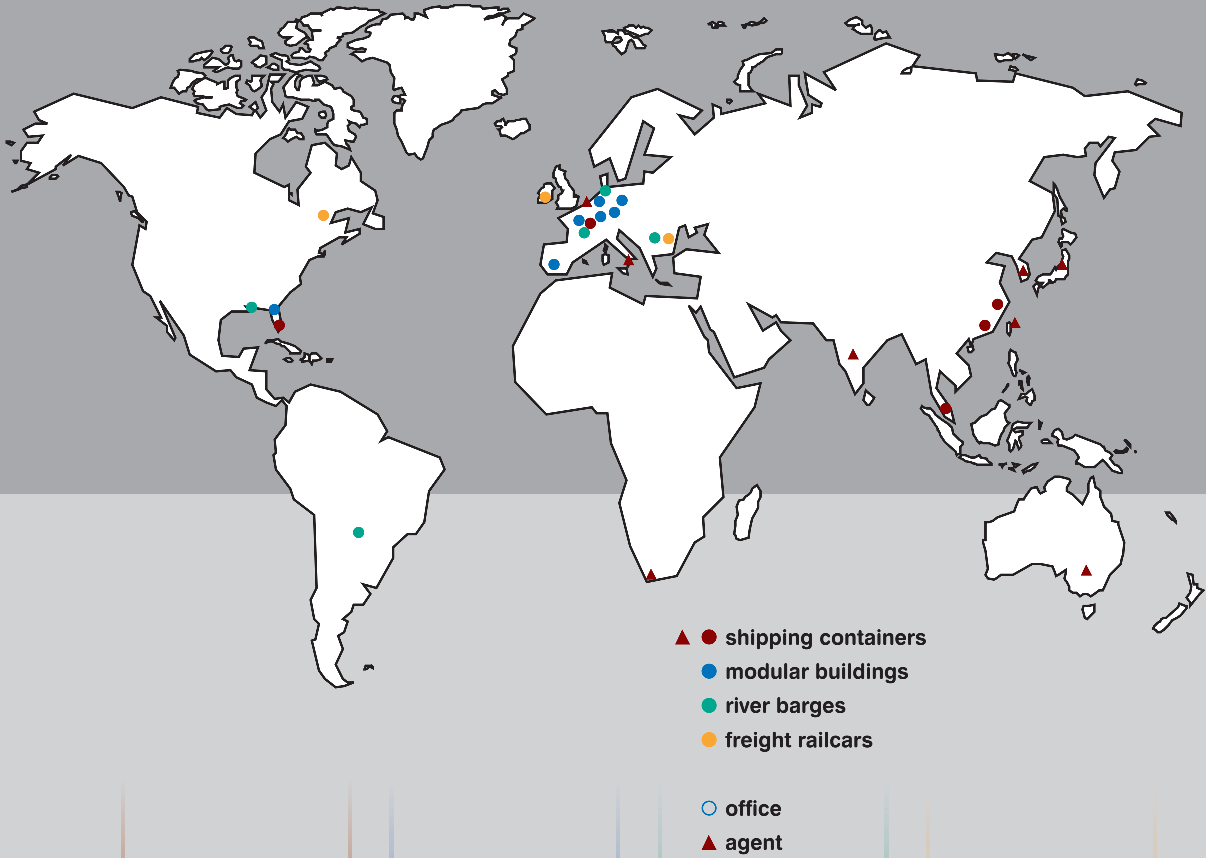
All these contracts may be entered into as "full-service leases", which means that rents include the servicing and maintenance of the railcars. TOUAX has entered into numerous partnerships with rail workshops to provide local technical monitoring of railcars and to ensure a rapid and efficient service.

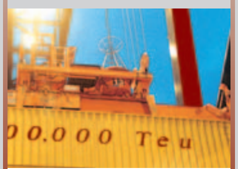
The Group is currently working with the main public and private rail operators in Europe and the United States, as well as the major industrial groups that use this mode of transport.

Presence and outlook

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

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





FRANCE
(Paris)
Europe/Africa region

UNITED STATES
(Miami)
Americas region

CHINA
(Hong-Kong, Shanghai)
North Asia region

SINGAPORE
South Asia region

FRANCE

BELGIUM

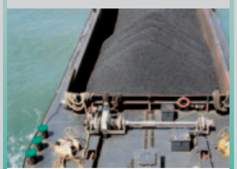
NETHERLANDS

GERMANY

POLAND

SPAIN

UNITED STATES
Florida and Georgia



FRANCE
Seine, Rhone

NETHERLANDS
Rhine, Meuse, Moselle, Main

ROMANIA
Danube

UNITED STATES
Mississippi

SOUTH AMERICA
Parana - Paraguay

IRELAND
(Europe region)

UNITED STATES

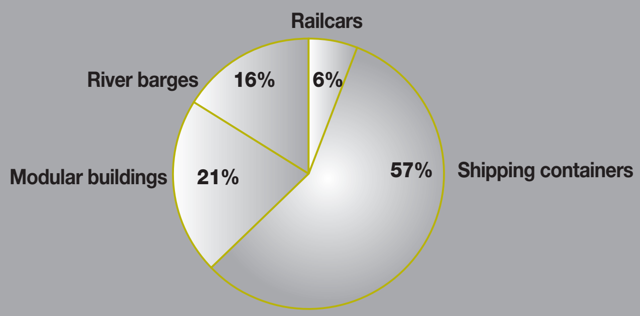
ROMANIA
(Eastern Europe region)

AGENTS

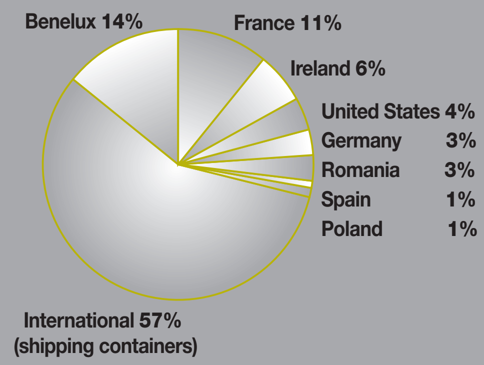
BELGIUM Antwerp
ITALY Genoa
SOUTH AFRICA Durban
INDIA Bombay
AUSTRALIA Melbourne
TAIWAN Taipei
JAPAN Tokyo
SOUTH KOREA Seoul

The TOUAX Group
Listed in Paris – Eurolist C compartment
Euronext Paris – NextPrime segment
ISIN code: FR0000033003 – Reuters TETR. PA
Bloomberg TOUPFP equity

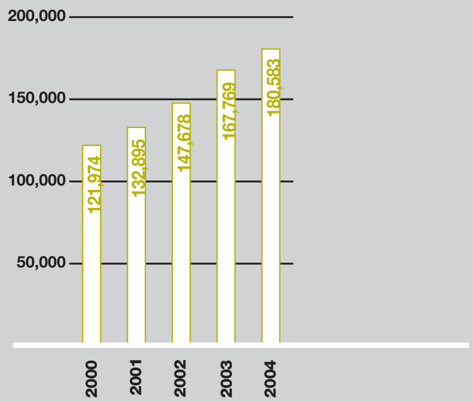
key figures 2004



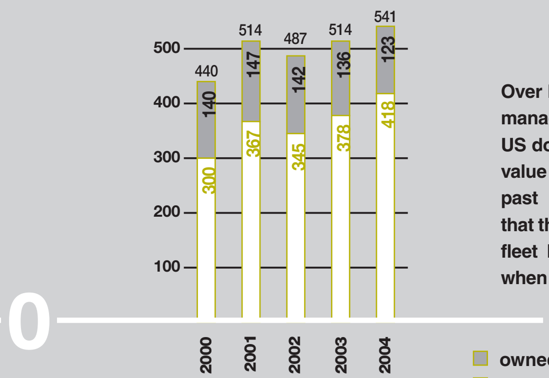
Breakdown of revenues
by business



Breakdown of revenues
by geographical area*

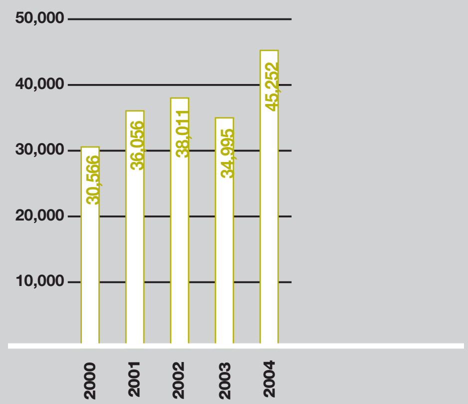


Consolidated revenues
(in thousands of euros)

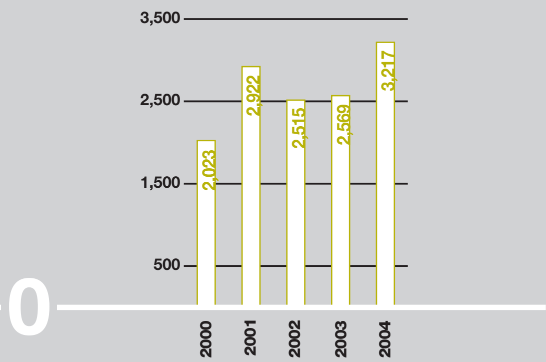


Over half of the assets under management are valued in US dollars. The decline in the value of the dollar over the past two years has meant that the value of the managed fleet has remained stagnant when expressed in euros.

Breakdown of assets under management
(in thousands of euros)



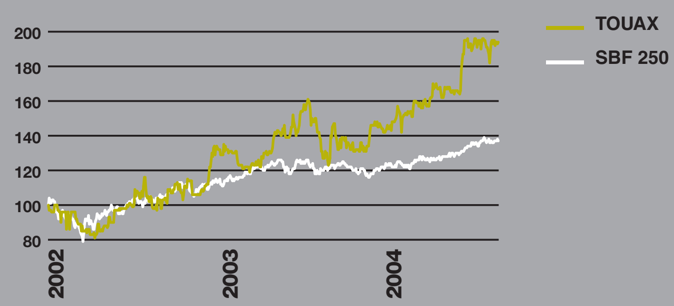
Consolidated operating income
(in thousands of euros)



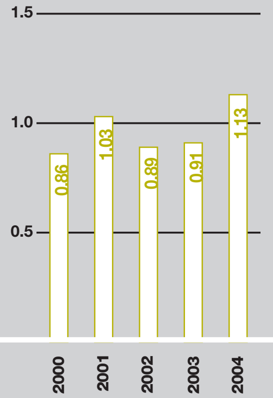
Consolidated net attributable income
(in thousands of euros)

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

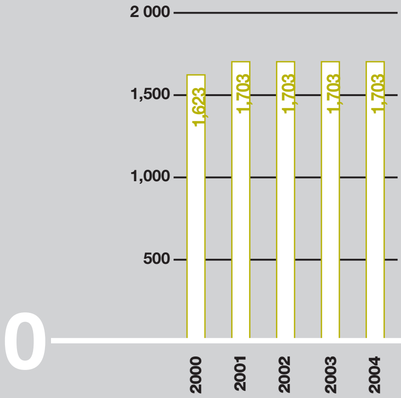
stock market



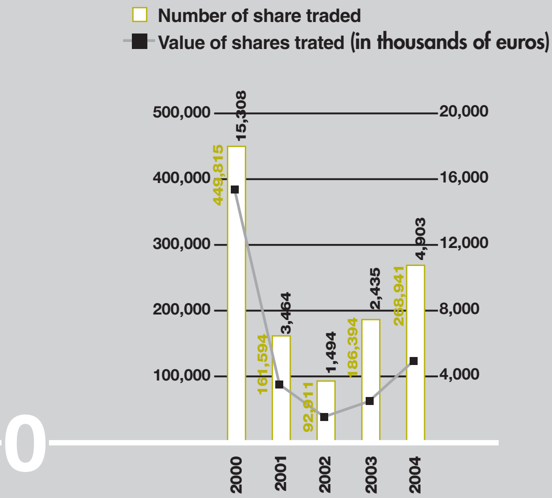
Trend in share price (base price = 100 as at 31.12.2002)



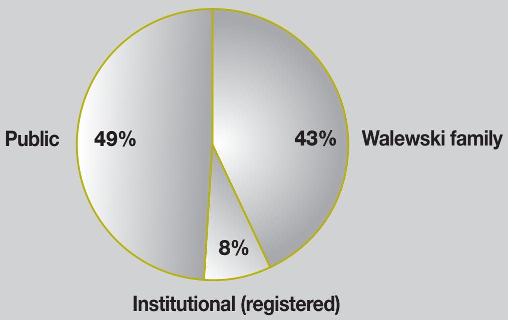
Net earnings per share (in euros)



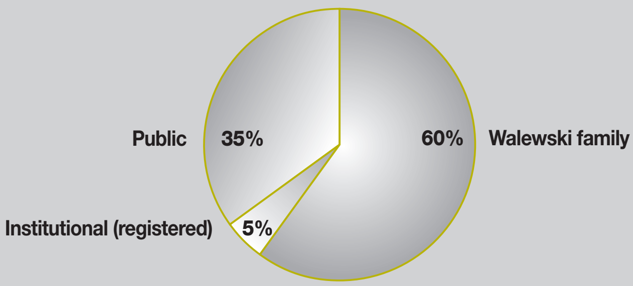
Dividends distributed
(in thousands of euros)



Shares traded over a
5-years period



Distribution of capital
as at 31 December 2004



Distribution of voting rights
as at 31 December 2004

Schedule of future financial announcements:

Revenues for 1st quarter 2005: **13 May 2005** • Revenues for 2nd quarter 2005: **week of 15 August 2005** • Shareholders Meeting: **30 June 2005** • Payment of dividend for 2004: **27 July 2005** • First-half results 2005: **29 September 2005** • Presentation of first-half results and outlook for 2005 (financial analysts meeting): **29 September 2005** • Revenues for 3rd quarter 2004: **week of 8 November 2004** • Revenues for 4th quarter 2005: **week of 13 February 2006**.

Contents

Trend in the results of the TOUAX Group

Revenues for the period

Revenues totaled €180.6 million, compared to €167.8 million in 2003, representing an increase of €12.8 million, or 7.6%.
Revenues in the shipping container segment advanced to €102.9 million (+14% compared to 2003), thanks mainly to growth in leasing revenues, an increase in the size of the managed fleet and sales of containers to investors under new management programs.
Revenues in the modular buildings business totaled €37.1 million (compared to €40.4 million in 2003), the fall of 8% being largely driven by pressure on leasing rates.
Revenues in the river barges business totaled €29.1 million, compared to €30.2 million in 2003, a fall of 4%. This decrease is mainly attributable to the sale of the Belgian participation Eurokor Barging BVBA in 2003. On a like-for-like basis, revenues in the river barges business rose by 14%.
Revenues in the freight railcars business amounted to €11.4 million, a rise of 65% compared to the €6.9 million recorded in 2003. The railcars business was boosted by the signing of several leasing contracts at the end of 2004, with fleet size increasing significantly.

Operating income

Operating expenses before depreciation and amortization totaled €129.1 million (71.5% of revenues) against €124.7 million (74.3% of revenues) in 2003, thus falling as a proportion of Group revenues. These expenses include the cost of sales, personnel costs, other operating expenses and income (notably capital gains on disposals). The rise in operating expenses can be explained mainly by the increase in equipment purchases.
The increase in equipment purchases in 2004 is in line with the increase in sales. Current gains on equipment disposals in 2004 amounted to €4.5 million, compared to €2.3 million in 2003.
For the record, since 2002, other operating expenses and income have included capital gains on disposals (everyday operations in a leasing company) as well as other expenses and income formerly reported under exceptional items.
Gross operating profit amounted to €50.5 million in 2004, an increase of 16.9% compared to the €43.2 million recorded in 2003. EBITDA amounted to €51.5 million in 2004, against €43.1 million in 2003, an increase of 19.5%. These increases are largely due to a rise in utilization rates with a corresponding decrease in operating expenses and a greater contribution from capital gains on disposals.
After the deduction of €6.2 million of depreciation and amortization, operating income amounted to €45.3 million, an increase of 29.3% compared to the €35 million recorded in 2003.

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

The Group manages equipment belonging to investors. The share in the results from this equipment managed for third parties corresponds to the distribution to investors. These distributions are recorded in the share of profit on joint operations.
Distributions to investors amounted to €36.9 million (against €30.9 million in 2003) and were made up as follows:
Shipping containers - €31.3 million
Modular buildings - €4.0 million
River barges - €0.7 million
Railcars - €0.8 million
The overall rise in the amount distributed to investors is due to the concluding of new management programs in 2003 and 2004.

Financial result

There was a net financial expense of €3.7 million, against €3.0 million in 2003. The €0.7 million rise in the net financial expense was mainly due to a negative currency effect linked to the fall in the value of the dollar (-€1 million) mitigated by a decrease in interest charges (+€0.3 million).

Net attributable income

The stated tax figure represents a charge of €1.6 million compared to an income of €2.8 million in 2003. The tax figure derives from the amount of tax payable (€0.3 million) and the amount of deferred tax (€1.3 million)
Amortization of goodwill amounted to €0.2 million, compared to €1.2 million in 2003.
Consolidated net attributable income amounted to €3.2 million, an increase of 25% compared with the 2003 figure of €2.6 million.
Net earnings per share amounted to €1.13 (€0.91 in 2003) for the 2,838,127 shares which make up the share capital.

Consolidated balance sheet

The consolidated balance sheet total in 2004 was €184.2 million, compared to €171.6 million in 2003.
Net fixed assets totaled €89.3 million, compared to €102.0 million in 2003. Shareholders' equity amounted to €46.5 million compared to €46.8 million. The slight decrease in shareholders' equity can be explained in particular by the fall in the value of the US dollar (-€0.9 million), offset by the improvement in earnings. Financial debts totaled €72.7 million, a decrease of €7.1 million compared to 2003 (€79.8 million). Consolidated net financial debt (after deduction of liquid assets and short-term investments) amounted to €40.5 million, down by €11.7 million compared to the €52.2 million recorded in 2003.

Company financial statements

TOUAX SA recorded revenues of €37.3 million in 2004, compared to €28.3 million in 2003, an increase attributable to the implementation of new management programs.
Net income amounted to €2.9 million, compared to €1.8 million in 2003. The balance sheet total of TOUAX SA was €86.0 million, compared to €80.7 million in 2003.
Non-deductible expenses totaled €680,000. This figure largely comprises unrealized foreign exchange gains (€234,000), provisions for paid leave (€134,000) and amortization of charges to be spread over several periods.

Recent events

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

Consolidated revenues for the first quarter of 2005 amounted to €46.1 million. TOUAX Group revenues as at the end of March 2005 were 40% higher than at the end of March 2004. On a like-for-like and constant dollar basis, revenues increased by 46%.

The shipping containers business is benefiting from the globalization of trade and continued growth in international commerce. The growth in revenue (87%) can be attributed to an increase in leasing turnover and the volume of container sales during the first quarter of 2005.

The modular buildings business grew thanks to an increase in utilization and leasing rates. The river barges business decreased due to a reduction in chartering. The railcar business benefited from the liberalization of European rail transport.

Taking into account the cyclical nature of sales, the Group is maintaining the objective of revenue growth of 5% in 2005 subject to trends in the dollar exchange rate and on a like-for-like basis.

Consolidated figures by type (in €thousands)	2005	2004	variation
Leasing revenues	28,105	25,601	10%
Sales of equipment and sundry items	17,992	7,439	142%
Consolidated first quarter revenues	**46,097**	**33,040**	**40%**

Consolidated figures by business (in €thousands)	2005	2004	variation
Shipping containers	28,748	15,370	87%
Modular buildings	9,424	8,690	8%
River barges	6,503	7,614	– 15%
Railcars and Various	1,422	1,366	4%
Consolidated first quarter revenues	**46,097**	**33,040**	**40 %**

Trend in the results of the TOUAX Group

TURNOVER, OPERATING INCOME & CONSOLIDATED NET INCOME BY BUSINESS AND GEOGRAPHIC REGION

(€thousands)	2004 Turnover	Operating income	Attributable net income
By business			
Shipping containers	102,866	36,505	3,618
Modular buildings	37,103	5,786	– 426
River barges	29,119	2,265	590
Railcars	11,379	3,793	2,291
Various	116	13	13
Non-allocated		– 3,110	– 2,869
TOTAL	**180,583**	**45,252**	**3,217**

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

*After exceptional asset writedowns of €1.5 million.

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

The “non-allocated” item covers overheads and corpore tax of the parent company and sub-holdings.

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

(€thousands)	2004 Turnover	Operating income	Attributable net income
By geographic region			
International (shipping containers)	102,866	36,504	2,753
Benelux	25,618	2,201	453
France	20,520	3,641	682
Ireland	11,350	2,178	925
Germany	5,339	1,884	814
United States	6,706	1,142	214
Romania	5,078	220	-50
Spain	1,824	390	215
Poland	1,282	281	92
South America		-79	-12
Non-allocated		-3,110	-2,869
TOTAL	**180,583**	**45,252**	**3,217**

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

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

General information – stock market data

Share history

The TOUAX share was listed on the Marché Comptant of the Paris stock exchange on the 7th of May 1906. On 14 June 1999 it was transferred to the Second Marché. The TOUAX share entered the NextPrime quality segment of Euronext on 2 January 2002. Since that date it has been a constituent of the NextPrime index. Following a revision of the listing, TOUAX is now listed in compartment C of Eurolist Paris.

The TOUAX share price

The TOUAX share ended 2004 at a price of €20.60, 37.8% higher than on 31 December 2003 (€14.95). The highest price in 2004 was recorded on 6 December (€21.20), and the lowest price on 2 January (€14.55).
As at 31 December 2004, the Group's market capitalization was €58.47 million.

KEY DATA FOR SHAREHOLDERS

(€)	2000	2001	2002	2003	2004
Consolidated data					
Total number of shares on 31 December (2)	2,365,106	2,838,127	2,838,127	2,838,127	2,838,127
Net dividend per share	0.69	0.36	0.60	0.25	0,60
Tax credit (1)	0.34	0.18	0.30	0.125	0,00
Total dividend per share	1.03	0.54	0.90	0.375	0,60
Repayment of contribution / Exceptional distribution per share	–	0.24	–	0.35	–
Total per share	1.03	0.78	0.90	0.725	0,6 (2)
Total distribution for the period	1,622,511	1,702,876	1,702,876	1,702,876	1 702 876
Increase in distribution	7%	5%	0%	0%	0%
Stock market ratios					
Net earnings per share	0.86	1.03	0.89	0.91	1.13
PER (4)	38.26	17.53	13.85	16.43	18.23
Total yield on the share (%)	3.13	4.32	7.30	4.85	2.91 (3)
Stock market data					
Highest share price	38.99	27.44	19.50	16.75	21.20
Lowest share price	25.50	14.80	11.00	9.80	14.55
Share price on 31 December	32.90	18.06	12.33	14.95	20.60
Market capitalisation (€m) on 31 December	77.81	51.26	34.99	42.43	58.47
Daily average volume of trades (€ thousands)	60.51	13.69	5.84	9.98	18.93
Average number of shares traded per day	1,777	639	364	764	1,038

(1) The tax credit is equal to 50% of the net dividend for shareholders who are natural persons resident in France.
(2) The 2004 distribution data is based on the board's proposal to the general meeting of shareholders.
(3) The total yield on the share in 2004 has been calculated on the basis of its price on 31 December 2004.
(4) Ratio of market capitalization to net income (price-earnings ratio).

Dividends

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

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

General information – stock market data

SUMMARY OF TRANSACTIONS OVER THE LAST 18 MONTHS

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

(in euros)	Highest share price	Lowest share price	Last share price	Number of shares traded	Value of shares traded (€thousands)
october 2003	16.05	13.05	16.05	25,003	354.41
november 2003	16.75	15.5	16.25	14,821	241.91
december 2003	16.2	14.55	14.95	13,322	206.48
january 2004	15.95	14.55	15.1	18,685	283.41
february 2004	18	15.19	17.4	20,228	333.17
march 2004	18.8	17.1	17.99	20,553	361.26
april 2004	19.8	17.05	19.17	22,831	433.62
may 2004	18.75	15.15	16	16,261	279.47
june 2004	18.15	15.15	17	17,174	289.61
july 2004	17.4	16.1	16.73	14,434	237.84
august 2004	18.3	16	17.9	16,118	276.36
september 2004	18.46	17.5	18.46	15,720	282.73
october 2004	19.5	17.5	18.6	15,164	282.95
november 2004	19.95	18.61	19.85	19,567	381.93
december 2004	21.2	19.7	20.6	72,206	1,461.00
january 2005	24	20.03	24	48,510	1,055.08
february 2005	24.36	23.2	24	36,214	863.21
march 2005	24.45	21.52	23.95	63,175	1,508.12

Source : EURONEXT.

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

No category of share capital is without ownership. There is no treasury stock (TOUAX SA shares held by its subsidiaries). The amount of TOUAX SA shares owned by TOUAX SA is not significant (cf. paragraph on own shares held).

As at 31 December 2004	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,478	830,956	14.64	20.37
Fabrice COLONNA WALEWSKI	410,526	821,051	14.46	20.13
Raphaël COLONNA WALEWSKI	406,985	813,970	14.34	19,95
ALMAFIN	175,999	175,999	6.20	4.3
Public	1,429,139	1,437,432	50.36	35.24
TOTAL	**2,838,127**	**4,079,408**	**100,00**	**100,00**

As at 31 December 2003	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,485	830,970	14.64	20.51
Fabrice COLONNA WALEWSKI	410,526	804,616	14.46	19.86
Raphaël COLONNA WALEWSKI	406,985	801,076	14.34	19.78
ALMAFIN	175,999	175,999	6.20	4.34
Public	1,429,132	1,438,276	50.35	35.50
TOTAL	**2,838,127**	**4,050,937**	**100,00**	**100,00**

As at 31 December 2002	Number of shares	Number of votes	% of capital	% of votes
Alexandre COLONNA WALEWSKI	415,478	830,956	14.64	20.51
Fabrice COLONNA WALEWSKI	410,526	804,616	14.46	19.86
Raphaël COLONNA WALEWSKI	406,985	801,076	14.34	19.77
ALMAFIN	175,999	175,999	6.20	4.34
Public	1,429,139	1,438,577	50.36	35.51
TOTAL	**2,838,127**	**4,051,224**	**100,00**	**100,00**

Bearer shareholders holding more than 5% of the capital

On 2 September 2002 the mutual fund SG France Opportunités informed the Board of Directors that it had exceeded the threshold of 5% of the capital. As the shares had not been registered as at 31 December 2004, the size of the holding of SG France Opportunités remains unknown. As far as the company is aware, only the above-named shareholders hold, directly or indirectly, solely or collectively, more than 5% of the capital or voting rights.

Double voting rights

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

Limitation of voting rights

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

Employee share program

TOUAX SA has not established an employee share program.

Breakdown of shares

As at 31 December 2004, 52% of shares in TOUAX SA were registered. The remainder were bearer. 43% of registered shares are held by non-French residents.

Number of shareholders

The company does not regularly request a report on identifiable bearer shares and therefore does not know the exact number of shareholders. The most recent such report was produced in September 1999, at which time there were 919 shareholders. At the last ordinary general meeting of shareholders (28 June 2004), 12 shareholders were present and the Chairman of the Board of Directors received eight proxies.

Sundry matters – shareholder agreements

To the company's knowledge there are no shareholder agreements, the company's shares have not been used as collateral and there are no arrangements for joint action between individual shareholders.

The only form of potential share capital is that described under "Corporate governance" – stock options and equity warrants.

Own shares held

As at 31 December 2004, the company held 1,708 of its own shares. These shares were acquired as part of the buyback program approved by the COB on 9 June 2004 (no. 04-572) in order to:

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

The transactions are summarized in the table below:

Declaration by TOUAX SA of dealings in its own shares between 9 June 2004 and 28 February 2005	
Percentage of own capital held directly or indirectly	0,05%
Number of shares withdrawn during past 24 months:	0
Number of shares held in portfolio:	1,532
Book value of portfolio:	31,809.18
Market value of portfolio:	35,236.00

The only objective pursued has been that of stabilizing the share price by systematically intervening against the market trend.

General information – stock market data

Portfolio management – pure registered and administered share accounts

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

Liquidity agreement

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

INFORMATION ON SHARE CAPITAL AS AT 31 DECEMBER 2004

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

No share capital movements have been recorded since 2001.

Unissued authorized capital

None.

POTENTIAL CAPITAL

1. Stock options granted by TOUAX SA

	Stock option scheme 2000	Stock option scheme 2002
Date of shareholders' meeting	06.06.00	24.06.02
Date of board meeting	06.06.00	31.07.02
Number of options originally granted	16,200	11,001
– of which to members of the Executive Committee	4,800	1,500
Number of beneficiaries	15	13
– of which members of the Executive Committee	2	1
Start date of exercise period	06.06.00	31.07.02
Expiration date	05.06.05	30.07.06
Exercise price	€ 31.80 (1)	€ 14.34
Options exercised since allocation	0	0
– by members of Executive Committee	0	0
Number of Executive Committee members exercising options in 2003	0	0
Options expiring since allocation	2,400	0
Number of options remaining to be exercised on 31.12.2004	13,800	11,001
– of which granted to members of the Executive Committee	2,400	1,500

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

No stock options were granted or exercised by officers of the company or other persons in 2003 or 2004. 7,200 stock options were granted to the 10 largest beneficiaries in 2002.

2. Equity warrants granted by TOUAX SA

	Equity warrant scheme 2000	Equity warrant scheme 2003
Date of board meeting	07.04.00	31.03.03
Date of shareholders' meeting	06.06.00	16.09.02
Number of options originally granted	13,500	11,001
– of which to company officers	13,500	11,001
Potental increase in capital	108,000	88,008
Number of beneficiaries	2	3
– of which company officers	2	3
Start date of exercise period	06.06.00	31.03.03
Expiration date	05.06.05	31.03.06
Issue price	2.66€	0.17€
Exercice price	33.47€ (1)	12€
Warrants issued on 12 June 2000 (2000 scheme)	13,500	
Warrants issued on 31 March 2003 (2003 scheme)		11,001
Number of warrants remaining to be exercised as at 31.12.04	13,500	11,001
– of which issued to company officers	13,500	11,001

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

For the 2002 financial year, the Extraordinary General Meeting of 16 September 2002 authorized the Board of Directors to issue 11,001 equity warrants.
The board meeting of 31 March 2003 set the terms of the new issue. The equity warrants are granted to officers of the company (Fabrice Walewski: 3,667 warrants; Raphaël Walewski: 3,667 warrants; Alexandre Walewski: 3,667 warrants). The issue price is calculated according to the Black & Scholes model. The exercise price is equal to the lowest average of the market prices of the share recorded over ten consecutive days chosen from the twenty trading days preceding the board meeting, plus 15%. The company believes the use of the Black & Scholes model for the calculation of issue prices and the objective calculation of the exercise price cover any legal risk.

No warrant has been utilized to date

General information – stock market data

REMUNERATION OF THE OFFICERS OF THE COMPANY

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

The allocation rules for director's fees are specified in the Chairman's report on internal control.

The officers of the company do not receive any bonuses when they join or leave the company.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer benefit from a retirement program (article 82).

IN 2004

(€ thousands)		Salaries, bonuses and all benefits in kind			
Name	Post	Fixed	Variable	Attendance at meetings	TOTAL
Serge Beaucamps	Director			7.5	7.5
Jérôme Bethbeze	Director			1.3	1.3
Thomas Haythe	Director			7.5	7.5
Jean Louis Leclercq	Director			5.5	5.5
Philippe Reille	Director			6.9	6.9
Hugo Vanderpooten (ALMAFIN)	Director			5.5	5.5
Alexandre Walewski	Director		200.0	6.9	206.9
Fabrice Walewski	Depouty CEO Co-Chairman), Director	92.8	66.9	15.1	174,8
Raphaël Walewski	Chairman and CEO (Co-Chairman), Director	92.8	65.2	13.7	171.7

IN 2003

(€ thousands)		Salaries, bonuses and all benefits in kind			
Name	Post	Fixed	Variable	Attendance at meetings	TOTAL
Serge Beaucamps	Director			6.2	6.2
Etienne de Bailliencourt (1)	Director			6.2	6.2
Thomas Haythe	Director			6.2	6.2
Jean Louis Leclercq	Director			6.2	6.2
Philippe Reille	Director			6.2	6.2
Hugo Vanderpooten (ALMAFIN)	Director			4.0	4.0
Alexandre Walewski	Director		200.3	6.2	206.5
Fabrice Walewski	Chairman (Co-Chairman), Director	93.5	82.5	12.3	188.3
Florian Walewski (2)	Director			4.0	4.0
Raphaël Walewski	CEO (Co-Chairman), Director	93.5	86.0	12.3	191.8

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

Dependency and risk factors

Dependency factors

The Group is not significantly dependent on any holders of patents or licenses, industrial, commercial or financial supply contracts, new manufacturing processes, suppliers or public authorities.

Risk factors

Market risk

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

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

Interest rate and currency risks are monitored by means of monthly reports prepared by subsidiaries for the Group Treasury department; these reports include loans granted by external institutions and loans concluded between the subsidiaries of the Group. This information is checked, analyzed, consolidated and reported to the Executive Committee. The Group Treasury department makes suggestions on the management of interest and currency risks and the decisions are taken by the Executive Committee. Standard office automation tools meet the Group's requirements for the monitoring of these risks.

In addition, off balance sheet liabilities are regularly listed, particularly on the drawing of each new loan, in order to ensure that comprehensive information is provided.

Liquidity risk

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

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

	Balance sheet amount	Breakdown	Average rate	Proportion subject to variable rate
Short-term credit	29.8 M€	41 %	3.28 %	100 %
Medium and long-term credit	42.8 M€	59 %	4.95 %	57 %
TOTAL	**72,6 M€**	**100 %**	**4,30 %**	**75 %**

Against this debt, the Group has €89 million of net fixed assets and €32 million of liquid assets and short-term investments.

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

	Total	2005	2006	2007	2008	2009	+ 5 ans
Short-term credit	29.8 M€	15.6 M€	9.8 M€	4.3 M€	0.1 M€		
Medium and long-term credit	42.8 M€	14.5 M€	7.3 M€	5.6 M€	5.4 M€	4.0 M€	6.0 M€
TOTAL	**72.6 M€**	**30.1 M€**	**17.1 M€**	**9.9 M€**	**5.5 M€**	**4.0 M€**	**6.0 M€**

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

The Group's internal financing resources (i.e. its cash flow plus the proceeds of asset disposals) have amounted to an average of €29.1 million over the last three years and stood at €34.6 million on 31 December 2004, thus covering the maximum theoretical amounts due for 2005. The Group also currently has more than €20 million of bank credit lines. Moreover, the due dates for the short-term credit are theoretical, as they assume that none of the credit lines will be renewed, which is highly unlikely. All short-term lines have been either renewed or even increased during 2004.

Details of the covenants are given in the notes to the consolidated financial statements. The Group complied with all of its financial ratios as at 31 December 2004 (cf. note 19.2 to the consolidated financial statements).

Dependency and risk factors

Interest rate risk

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

A 1% change in short-term rates would increase the Group's total financial expenses by 16% (on the basis of the financial expenses paid in 2004). This sensitivity is due to the preponderance of variable rate debt (75% of total debt) and by the continuing low level of short-term rates. Nevertheless, the risk is limited due to the strong correlation between the leasing rate invoiced to clients and the inflation rate.

In 2003, the Group's treasury department entered into interest rate swaps in order to reduce this sensitivity to rises in short-term rates. These four interest rate swaps, three relating to loans denominated in euros and the fourth relating to a debt denominated in dollars, enabled the Group to reduce its sensitivity to interest rate rises from 16% to 12%. Stripping out the impact of these interest rate derivative products, the breakdown of debt was 75% variable rate and 25% fixed rate. Taking these operations into account, the fixed rate debt represents 38% of total indebtedness and variable rate debt 62%.

Exchange risk

The Group's exposure to fluctuations in exchange rates principally concerns changes in the value of the US dollar. Other currencies are not significant. The Group's results evolve in a positive correlation to the US dollar. In 2004, the variation in the annual average rate for the US dollar, a decline of 10%, resulted in an estimated 1% reduction in operating income.

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

At the close of 2004, the Group's balance sheet includes an estimated $20 million of dollar-denominated operating receivables and an estimated $43.9 million of operating debts.

The net balance of operating receivables and debts was $23.9 million. In the event of a 1% fall in the value of the US dollar against the euro, the Group would record an estimated gain of €173,000.

With regard to the long-term assets and liabilities, the Group's policy is to match fixed assets denominated in US dollars (containers) with loans also denominated in US dollars, in order to avoid exposure to exchange risk. The Group does nevertheless have one euro-denominated loan for an underlying asset denominated in US dollars. The outstanding balance of this loan was €0.5 million at the end of the period. The Group did not repeat the hedging operations effected in respect of this loan in 2003, considering that the potential impact of exchange rate variations was no longer significant.

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

Equity risk

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

The Group's investment strategy consists of the short-term placing of surplus funds in monetary investment funds.
The Group does not deal on the stock market.

The Group's equity portfolio is as follows:

	Portfolio of third-party shares or UCITS	Portfolio of own shares
Book value as at 31.12.2004	€1,054,000	€31,000
Market value as at 31.12.2004	€1,083,000	€35,000
Possible gains	29,000	4,000

The sensitivity of the Group's profits to a 10% fall in prices is insignificant, since the equity portfolio is negligible. The main investments are made in money-market products.

Legal risk – disputes

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

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

Shipping containers

As a result of the bankruptcy of a customer in the shipping containers business in 2001, the Group had received insurance payouts ($1.4 million) as compensation for part of the loss incurred. The insurers consider that the Group has been compensated by other third parties in respect of this loss. On the basis of a subrogation clause, the insurers are demanding the repayment of the compensation received. The Group is contesting this demand. The compensation received from other third parties covers risks which were not covered by the insurer. This compensation cannot therefore be taken into account in the context of the subrogation clause. Furthermore, a precise breakdown submitted to the insurers shows that the insurance payouts and the compensation sums paid by other third parties do not cover all of the claims. The Group therefore believes that no positive balance is available for redistribution. Consequently, no provision has been entered in the Group's financial statements. Legal proceedings have been instituted by the insurers and their legal representatives. No date has been set for the hearing of the case, and it is not expected to be heard in 2005.

Modular buildings

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

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

River barges

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

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

Regulations can also change, particularly with regard to safety, with new technical specifications being imposed on vessels. Such measures can result in substantial upgrading costs, or even make certain units obsolete (e.g. the requirement whereby oil tankers must have a double-bottomed hull). The Group is currently involved only in dry bulk transport, a sector which is less affected by new transport regulations. Following the return of a leased convoy in France in 2003 comprising a pushboat and two barges, the Group has requested the customer to restore these vessels to their original condition. The customer is contesting this request, as a result of which proceedings have been instituted by and against TOUAX in order to resolve this dispute. For reasons of confidentiality, no sum can be disclosed.

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

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

Railcars

There are currently no known significant disputes affecting the railcars business.

Industrial and environmental risks

Economic risk

Shipping containers

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

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

Modular buildings

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

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

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

The industrial market is closely linked to levels of investment. The demand for modular buildings is correlated to the cost and availability of office space and hence to the employment situation. The low cost of modular buildings compared to the costs of standard buildings means that growth in demand can be expected in the same way as for local and regional authorities.

Dependency and risk factors

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

Railcars

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

Geopolitical risk

Shipping containers

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

River barges

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

Railcars

Rail freight transport through the Channel Tunnel was affected by problems caused by illegal immigration. The risk to the Group of losing customer contracts (due to customers preferring to use other means of transport) was limited by its investing in assets which could be conveyed by sea (ferry railcars). Government measures have been taken to reduce the problem of illegal immigration, allowing for a return to normal levels of traffic.

Furthermore, only around 5% of the fleet was allocated to this type of traffic in the first quarter of 2005.

Political risk

River barges

One of the main cargoes transported by river within Europe is coal. Coal transport is linked to the energy policies of the countries using river transport. A European country which changes its choices of energy supply by markedly reducing thermal energy in favor of other forms, such as nuclear, hydro, wind energy or any other form, could lead to overcapacities in river transport and therefore trigger a significant fall in freight volumes. To limit this risk, the Group intends to develop its activities in the area of river barge leasing and has diversified in respect of the materials carried (metals, fertilizers, cereals, cement, waste etc.).

Railcars

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

Environmental risk

Shipping containers

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

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

Management risk

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

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

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

Supply risk

Modular buildings

The Group may be liable if a subcontractor defaults, up to the limit of the insurance cover. To date, the Group has never been held liable to any significant extent in such cases.

River barges

The fuel oil market may affect the competitiveness of river transport, either as a result of a shortage or as a result of an increase in the price of oil. The Group does not use any hedging instrument to cover changes in the oil price, but includes indexation clauses in the majority of its transport contracts to follow changes in the price of refined products.

Climate risk

River barges

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

Poor climatic conditions can also have an impact on the grain harvests in a country or region. The impact can be qualitative or quantitative, or even both. Poor quality grain or a fall in production volume will weaken export sales, leading to a fall in freight levels. This risk is limited as a result of the Group's diversified geographical presence. In addition, the Group's activity focuses on waterways (such as canals) which are less susceptible to climate risk.

Railcars

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

Dependence risk

The business sectors are separate, and the customers and suppliers in each business differ. The businesses use low-technology equipment which could easily be replaced. Suppliers and customers' contribution to the Group revenues and expenses is limited. The Group does not therefore consider itself significantly dependent upon one customer or supplier.

Risk of positioning and loss of containers

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

Technical and quality risk applying to modular buildings

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

Railcar subcontracting risk

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

Insurance – coverage of risks

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

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

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

There is no captive insurance company.
The public liability insurance of the parent company, TOUAX SA, covers material damage arising from its operations. The amount insured is €7.6 million. The Group subsidiaries each have their own public liability insurance. The public liability insurance premium of the parent company amounts to €25,000.

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

The Shipping Containers business has public liability insurance cover of $7.5 million. The equipment is insured directly by the customers and depots, in accordance with industry practice. The insurance premium for the civil liability of the shipping containers business amounts to around $74,000.

The modular buildings insurance guarantees the value of equipment generally, and in particular when the equipment is stored or on lease and where the customer has omitted to effect insurance for the term of the lease. This insurance covers in particular the risks of explosion, fire, hurricane, storm, collision, water damage, falls, theft etc. The sum insu-

Dependency and risk factors

red varies depending on the risk covered and totals €2.8 million. The insurance premium for the shipping containers business amounts to around €254,000.

The river barges insurance covers damage, loss, third-party recourse and expenses resulting from any accident of navigation, explosion, fire or any instance of force majeure, specifically damage resulting from malfunctions of the propulsion or steering systems, mechanical breakdown, electrical damage, waterways, damage arising from poor stowage or loading, mooring risks, damage to structures, pollution risks, investigation costs, surveys, proceedings and legal fees. The insurance includes contractual public liability in respect of leased barges owned by third parties, cover for carrier's liability as defined by laws and regulations and cover for goods carried. The nature of the cover and sums insured depend on the vessel and areas of operation. The sum insured is generally equivalent to the replacement value of the equipment and amounts to a maximum of €15.7 million. It should also be noted that war risks are covered in the case of vessels operating on the Danube. The insurance premium for the river barges business amounts to around €542,000.

The railcars business has public liability cover totaling €7.6 million. The equipment is insured directly by the customers and depots in accordance with industry practice. The civil liability insurance premium for the railcars business amounts to around €87,000.

Social relations and environmental information

Industrial relations policy

The Group has implemented three types of industrial relations measure in order to fulfill the requirements arising from its development.

A pragmatic, day-to-day social dialogue with all stakeholders allows:
- optimization of industrial relations,
- a more effective response to the needs expressed,
- more rapid adaptation to developments while harmonizing personnel management practices.

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

This dialogue takes place in respect for the rights of each of the parties concerned and in a spirit of openness and transparency. The decisions and actions resulting from this continuing dialogue are applied ethically.

This approach underpins the success of all the actions undertaken by the Group in the human resources area. The development of skills and internal mobility has become two pivotal features of human resource management. The skill development strategy takes into account the individual expectations of employees, their initial skills and the current and future requirements of the Group.

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

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

This policy plays a role in improving the motivation of all the employees and is now an established part of the corporate culture of TOUAX.

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

This policy is based on an expansion of work procedures. In order to obtain results, the Group has commissioned a safety audit and has implemented a preventive action plan, the key points of which are:
- raising awareness of the prevention of occupational risks among all employee groups,
- regular training on safety and first aid,
- the distribution of booklets on prevention and safety,
- the monitoring and checking of recommendations by the holding of bi-monthly meetings at the various sites,
- a system of internal reporting.

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

Environmental policy

The environmental risks liable to have an impact on the assets or income of the company are not significant, since the Group primarily carries out a service activity. Consequently, no significant expenditure has been incurred in the following areas (Eurostat classification):
- protection of the atmosphere and climate,
- management of wastewater,
- waste management,
- protection and decontamination of soil, groundwater and surface water,
- combating noise and vibrations,
- protection of biodiversity and the countryside,
- protection against radiation,
- research and development,
- other environmental protection activities

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

Rigorous land management

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

Identification and control of the substances used

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

Such identification has improved the storage conditions but in particular the sorting and removal of waste and containers. Each site outsources the work to recognized, qualified waste treatment companies under specific contracts.
The railcars and river barges businesses also contribute to the environment by complying with the existing rules on the cleaning of containers.

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

Industrial relations and environmental information

Optimization of transport vehicles

The Group optimizes the management of its truck fleet, thereby promoting respect for the environment by reducing carbon emissions into the atmosphere.
This is achieved by means of the following:

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

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

Shipping containers

(Condolidated figures, € thousands)	2004	2003	2002
Lease revenues	45,207	40,637	39,964
Sales of equipment	57,587	49,395	26,200
Other	72	96	114
TOTAL OPERATING REVENUES	**102,866**	**90,128**	**66,278**
Cost of sales (1)	(54,010)	(46,940)	(24,636)
Operating expenses	(7,304)	(10,097)	(9,463)
Selling, general and administrative costs	(3,906)	(2,915)	(3,192)
Capital gains on disposals (2)	(606)	(158)	(14)
EBITDA (3)	37,040	30,018	28,973
Depreciation and amortization	(535)	(1 186)	(3 093)
OPERATING INCOME	**36,505**	**28,831**	**25,880**
Distributions to investors	(31,314)	(25,867)	(22,715)
Net operating income	5,191	2,964	3,165

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

(Consolidated figures,€ thousands)	2004	2003
EBITDA (2) after distributions to investors	5,726	4,150
Gross fixed assets	23,956	26,979
Return on fixed assets (ROFA) (4)	24%	15%

(4) ROFA: Return on Fixed Assets

Original currency:

USD (100%).

Trends in the world market

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

In 2004, international trade grew by 8.5%, after a 4.5% increase in 2003, 2.5% in 2002 and a fall of 1% in 2001 (source: WTO). The net change in containerized traffic and available freight capacity was positive, amounting to almost 6%, in 2004, reflecting the excess of demand over supply, which stimulates growth in the shipping container leasing market.

Competition

Through its subsidiary GOLD CONTAINER Corporation, the Group is the tenth-largest lessor worldwide, behind operators such as GeSeaco, Transamerica, Textainer and Triton, and is the second-largest lessor in mainland Europe (source: Containerisation International; Container Leasing Market 2004).

Customers and suppliers

The Group is established in 37 countries (offices, agents, depots). In 2004, GOLD CONTAINER Corporation had 22 of the world's 25 largest shipowners among its customers. In total, almost 120 customers use its services, including names such as Maersk, Evergreen, ZIM, P&O Nedlloyd, China Shipping, etc.

Main customers (leasing)	Share of total turnover
AP Möller – Maersk	19.5 %
ZIM Integrated Shipping Services	8.5 %
Mediterranean Shipping Co.	8.3 %
P&O Nedlloyd B.V.	7.5 %
China Shipping Container Lines	7.2 %

Main suppliers	Services
CIMC Group, CXIC Group, Singamas Group (Asie)	Manufacturing plant
Columbia Container Service (USA), Conglobal Industries (USA), Eng Kong Marketing services (Asie), Hennicon (Asie), Tesco (Chili), Arnal (France), Fast Lane Transportation (USA)	Storage, handling and repairs
Hennicon (Asie), PWCS (Europe), SBL (Asie)	Surveys

Shipping containers

Background

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

2004

At the end of 2004, the shipping containers sale and leasing business accounted for 57% of the Group's revenues. At that date, the fleet represented 255,709 TEU (twenty foot equivalent units), an increase of around 20% compared to 2003. It included 171,214 twenty-foot and forty-foot containers, most of them of the dry type but also taking in open-top, flat, high-cube and reefer containers.

2004 saw an increase in leasing revenues in spite of the significant fall in the value of the dollar and a marked rise in sales. These sales related to the conclusion of new management programs. The annual average utilization rate in 2004 was 93.5%, with a peak of 96.0% in December. Long-term lease contracts (3 to 5 years) represented 82% of the customer portfolio at the end of 2004.

Financing of the managed fleet

To finance its fleet of containers, the Group now relies mainly on outside investors on the basis of management programs. Asset-backed securitization has been used in the past.

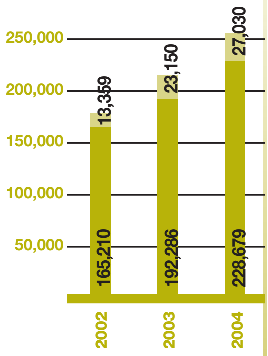
The containers sold to investors are entrusted to GOLD CONTAINER Corporation, which leases them out under management contracts. Equipment is pool-managed. In return, the Group receives a management fee and, in the case of certain programs, incentive management fees which can amount to 25% of the leasing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

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

Breakdown of the fleet by owner

The fleet is made up as follows:
- wholly owned: 27,030 TEU
- owned by investors through special-purpose companies (securitization): 53,428 TEU
- owned by investors through management programs: 169,092 TEU
- leased: 6,159 TEU

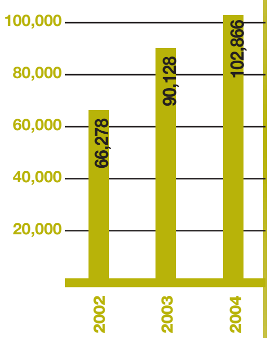
Fleet of containers managed by the Group
(255,709 TEU as at 31.12.2004)



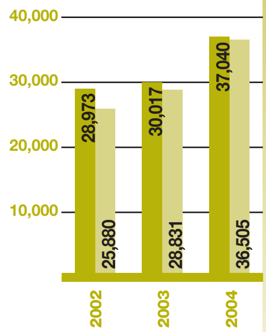
TEU owned by non-Group investors

TEU owned by the Group

Revenues from shipping containers (in thousands of euros)



Gross margin and operating profit (in €thousands)



Gross profit

Operating profit before distribution to investors

OUTLOOK FOR SHIPPING CONTAINERS IN 2005

Leasing should benefit from growth of sea transportation in 2005. The Clarkson Research Studies survey in March 2005 shows demand (growth in container traffic) outstripping supply (growth in the container-carrier fleet):

	2000	2001	2002	2003	2004	2005 prévision	2006 prévision
Container traffic	11%	2%	10.5%	11.3%	13.6%	10%	9.7%
Container-carrier fleet	8%	7%	8%	7.3%	8%	9.8%	12.6%
Solde	3%	– 5%	2.5%	4.0%	5.6%	0.2%	– 2.9%

In the medium term, the Group aims to increase its fleet to 500,000 TEU and thus secure a 5% share of the world market. In order to achieve this objective, GOLD CONTAINER Corporation is continuing to develop its long-term lease contracts and sales of used secondhand containers, in order to maintain a young fleet in good condition.

According to the market research report "Containerisation International Market Analysis", the world container fleet grew by around 7-8% in each of 2003 and 2004. International trade flows are increasingly being conveyed in shipping containers, and the geographical trade imbalance (particularly in favor of China) calls for the supply of additional containers.

Containerized transport continues to offer major advantages: cost, safety, standardization. Leasing of shipping containers also provides the flexibility shipowners require in order to optimize their fleet management and helps to finance almost 50% of world container production, according to the 2004 "Containerisation International" report.

Modular buildings

(Consolidated figures,€ thousands)	2004	2003	2002
Lease revenues	31,150	32,860	36,537
Sales of equipment	5,953	7,490	8,301
Others	0	0	0
TOTAL OPERATING REVENUE	**37,103**	**40,350**	**44,838**
Cost of sales (1)	(5,176)	(6,684)	(6,969)
Operating expenses	(21,383)	(17,898)	(19,647)
Selling, general and administrative costs	(3,339)	(6,260)	(5,979)
Capital gains on disposals (2)	2,536	2,060	499
EBITDA (3)	9,741	11,569	12,742
Depreciation and amortization	(3,956)	(4,234)	(4,595)
OPERATING INCOME	**5,785**	**7,335**	**8,147**
Distributions to investors	(4,027)	(3,633)	(3,365)
Net operating income	1,758	3,702	4,782

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

Consolidated figures, € thousands)	2004	2003
EBITDA (3) after distributions to investors	5,714	7,936
Gross fixed assets	55,791	66,709
Return on fixed assets (ROFA) (4)	10 %	12 %

(4) ROFA : Return On Fixed Assets.

Original currencies

€ in the European Union (83%), US$ in the United States (13%), PLN in Poland (4%)

Trends in the world market

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

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

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

Modular buildings have the following advantages:
- relatively low cost (from €200 per m^2),
- rapid provision of working space,
- great flexibility, due to the modular design and the possibility for customers to lease rather than incur capital expenditure.

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

The competition (source: TOUAX)

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

The Group is the fifth-largest worldwide, after GE CAPITAL (120,000 units), ALGECO (110,000 units – source ALGECO), WILLIAMS SCOTSMAN (90,000 units) and MCGRATH (22,000 units – source MCGRATH).

Customers and suppliers

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

Modular buildings

Country	Main customers	Share of lease revenue
France	Region of Upper Normandy	5%
	Bouygues	1%
	Aventis	1%
United States	PRS Construction Llc	2%
	Mes Construction	1%
	Hubbard Construction	1%
Germany	Staatliches Baumanagement	20%
	DB Netz AG	5%
	Rudolf Behr	3%
Spain	FCC Construcción	6%
	Insalud Area 2 Atención primaria	5%
	Insalud Area 11 Atención primaria	5%
Poland	Budimex SA	11%
	Warbud SA	9%
	TVN SA	6%
Benelux	Rental Schans	6%
	Hellevoetssluis Community	6%
	Langedijk Community	6%

Main suppliers (excluding fixed assets)	Services
Jipe SA, Bodard	Manufacturing plant
Cemma, CMO	Subcontracting personnel
SLV, Transports Viltard, TLH	Transport, crane operation

2004

At the end of 2004, the Group managed a fleet of 19,719 units of modular buildings and storage containers (including 11,869 on behalf of investors). These units are spread over France, Germany, the Netherlands, Belgium, Spain, Poland and the United States. Revenues from the modular buildings business totaled 37.1 million in 2004, down 8% compared to 2003, principally as a result of the fall in prices. The average utilization rate was 74% in 2004. The leasing and sale of modular buildings is the Group's second-largest business (21% of operating revenues).

MODULAR BUILDINGS IN FRANCE

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	16,310	18,378	20,205
Sales of equipment	2,721	3,482	4,617
Others		0	0
TOTAL OPERATING REVENUE	**19,031**	**21,859**	**24,822**
Cost of sales (1)	(2,906)	(3,550)	(3,917)
Operating expenses	(11,874)	(11,783)	(11,946)
Selling, general and administrative costs	(1,702)	(2,092)	(1,373)
Capital gains on disposals (2)	1,000	2,014	429
EBITDA (3)	3,549	6,448	8,015
Depreciation and amortization	(1,878)	(2,115)	(2,508)
OPERATING INCOME	**1,671**	**4,333**	**5,507**
Distributions to investors	(2,820)	(2,457)	(1,975)
Net operating income	(1,149)	1,876	3,532

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

With 10,774 units in its operational leasing fleet at the end of 2004, the Group is the third-largest operator in France, with a market share of 10%, behind the ALGECO group (60,000 operational leasing units) and Cougnaud (over 15,000 operational or financial leasing units) - source: TOUAX.

The Group offers its services throughout France, mainly in the following regions: Aquitaine, Champagne – Ardennes, the Paris region, Provence-Alpes-Côte d'Azur, Pays de la Loire, Nord-Pas-de-Calais, Normandy, Rhône-Alpes.

In France, 2004 was marked by a difficult trading environment with low capital expenditure. Increased competition helped push leasing rates lower. Revenues fell by 13% in 2004. The average annual utilization rate stood at 72%.

MODULAR BUILDINGS IN GERMANY

(Consolidated figures,€thousands)	2004	2003	2002
Lease revenues	4,999	4,931	5,359
Sales of equipment	341	1,299	1,872
Others	0	0	0
TOTAL OPERATING REVENUE	**5,340**	**6,230**	**7,231**
Cost of sales (1)	(143)	(1,047)	(1,668)
Operating expenses	(3,066)	(1,432)	(1,599)
Selling, general and administrative costs	(603)	(1,812)	(2,135)
Capital gains on disposals (2)	1,010	50	13
EBITDA (3)	2,538	1,988	1,842
Depreciation and amortization	(654)	(757)	(809)
OPERATING INCOME	**1,884**	**1,231**	**1,033**
Distributions to investors	(636)	(642)	(710)
Net operating income	1,248	589	323

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

With 2,779 units at the end of 2004, the Group ranks seventh in Germany with a market share of around 2% (the total fleet in Germany is estimated at around 140,000 units – source: TOUAX). The three main lessors in Germany are GE CAPITAL (40,000 units), ALGECO (20,000 units) and ELA (10,000 units) (source: TOUAX). With its subsidiary Seiko Containerhandel GmbH, TOUAX operates mainly in the north, east and west of Germany in the urban centers of Hamburg/Kiel, Rostock, Berlin, Leipzig and Frankfurt.

The German market continued to be difficult in 2004, with a decline in capital expenditure and a flat building market. This deterioration led to a decrease in rates. The revenues generated by Siko Containerhandel GmbH, a subsidiary of TOUAX, totaled 5.3 million, a decr ease of 14% compared to 2003 as result of a fall in unit sales. Operating income nevertheless rose by 53% thanks to effective cost control and the conclusion of a management program. The annual average utilization rate improved to 81% in 2004, though leasing rates again fell.

Modular buildings

MODULAR BUILDINGS IN THE BENELUX COUNTRIES

(Consolidated figures,€ thousands)	2004	2003	2002
Lease revenues	3,101	3,261	3,965
Sales of equipment	1,575	2,000	836
Others	0	0	0
TOTAL OPERATING REVENUE	**4,676**	**5,261**	**4,801**
Cost of sales (1)	(1,185)	(1,507)	(611)
Operating expenses	(2,162)	(2,000)	(2,220)
Selling, general and administrative costs	(302)	(451)	(393)
Capital gains on disposals (2)	530	1	0
EBITDA (3)	1,557	1,304	1,577
Depreciation and amortization	(598)	(712)	(773)
OPERATING INCOME	**959**	**592**	**804**
Distributions to investors	(67)	0	0
Net operating income	892	592	804

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

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

At the end of 2004, TOUAX had a fleet of 1,867 units and was one of the ten largest lessors, with a market share of 5%. The total fleet in the Benelux countries is estimated at 35,000 units (source: TOUAX).
The other main lessors (source: TOUAX) are GE CAPITAL (8,000 units), De Meeuw (8,000 units), Fort Bouw (4,000 units), Buko (4,000 units) and Portakabin (3,000 units) (source: TOUAX).

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

The overall fall of 11% in the Group's revenues in the Benelux countries is explained by a fall in leasing revenues and sales of equipment. The annual average utilization rate was 70% in 2004. The Benelux market is subject to the same constraints as the French and German markets, with near-zero growth and weak capital expenditure. TOUAX generates all of its sales with industrial operators and local authorities. Operating income increased thanks to a management program.

MODULAR BUILDINGS IN SPAIN

(Consolidated figures,€ thousands)	2004	2003	2002
Lease revenues	1,457	1,467	1,489
Sales of equipment	367	379	545
Others	0	0	0
TOTAL OPERATING REVENUE	**1,824**	**1,846**	**2,034**
Cost of sales (1)	(208)	(294)	(413)
Operating expenses	(898)	(730)	(815)
Selling, general and administrative costs	(79)	(70)	(147)
Capital gains on disposals (2)	(1)	0	0
EBITDA (3)	638	753	659
Depreciation and amortization	(249)	(226)	(197)
OPERATING INCOME	**389**	**527**	**462**
Distributions to investors	0	0	0
Net operating income	389	527	462

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

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

At the end of 2004 the fleet amounted to 826 units with an annual average utilization rate of 78%.

The total leasing fleet in Spain is estimated at 30,000 units, the main operator being the ALGECO group, which has over 50% of the market (15,000 units; source: TOUAX). TOUAX has a 3% market share.

Business in the building and public works sector has been buoyant, and growth remains high even though it has slowed compared to recent years. The Group is also establishing itself successfully in the industrial and local authority sectors. Revenues are stable but operating income fell following greater fleet rotation during the year and a lower utilization rate (78%).

MODULAR BUILDINGS IN POLAND

(Consolidated figures,€ thousands)	2004	2003	2002
Lease revenues	1,218	966	805
Sales of equipment	64	131	34
Others	0	0	0
TOTAL OPERATING REVENUES	**1,282**	**1,097**	**839**
Cost of sales(1)	(56)	(111)	(28)
Operating expenses	(602)	(523)	(940)
Selling, general and administrative costs	(54)	(56)	0
Capital gains on disposals (2)	8	1	3
EBITDA (3)	578	407	(126)
Depreciation and amortization	(297)	(208)	(153)
OPERATING INCOME	**281**	**199**	**(279)**
Distributions to investors	0	0	0
Net operating income	281	199	(279)

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

The operations in Poland were consolidated for the first time in 2002. This business began in 2000 and has grown substantially since then. A fleet of 1,097 units was under management at the end of 2004, an increase of over 35% compared to 2003. TOUAX's business is benefiting from growth in the Polish market, particularly in the construction sector.

MODULAR BUILDINGS IN THE UNITED STATES

(Consolidated figures,€ thousands)	2004	2003	2002
Lease revenues	4,065	3,857	4,714
Sales of equipment	885	199	397
Others	0	0	0
TOTAL OPERATING REVENUES	**4,950**	**4,056**	**5,111**
Cost of sales (1)	(678)	(176)	(332)
Operating expenses	(2,781)	(1,430)	(2,127)
Selling, general and administrative expenses	(599)	(1,778)	(1,931)
Capital gains on disposals	(11)	(5)	54
EBITDA (2)	881	668	775
Depreciation and amortization	(280)	(216)	(155)
OPERATING INCOME	**601**	**452**	**620**
Distributions to investors	(504)	(533)	(680)
Net operating income	97	(81)	(60))

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

Modular buildings

In the United States, the Group operates in Florida and Georgia under the "Workspace +" brand name, with a fleet of 2,376 units at the end of 2004.

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

In the United States as a whole, only three companies have more than 15,000 units: WILLIAMS SCOTSMAN, GE CAPITAL Modular Space and MCGRATH (source TOUAX).

The Group's business is mainly concentrated in the construction industry. One quarter of turnover is with the industrial sector and local authorities. The construction industry in Florida benefited from the upturn in activity linked to the damage caused by the hurricanes in the summer of 2004. Leasing rates increased strongly during the third quarter of the year. Revenues benefited accordingly, rising to 5 million, an impr ovement compared to 2003. The annual average utilization rate was 69% in 2004 and 74% at the end of the year.

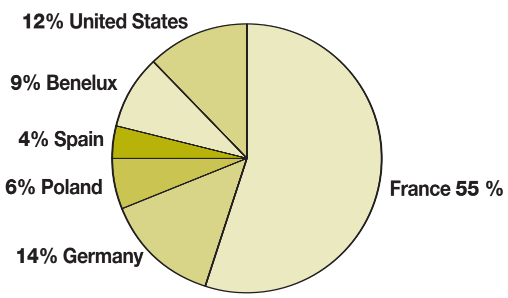
OUTLOOK FOR MODULAR BUILDINGS IN 2005

In France

2004 was once again marked by a decline in demand and in lease rates. 2005 has also been difficult so far, though utilization and lease rates should improve and a return to profit should be achieved. The Group will benefit from its efforts to move towards long-term contracts with the industrial sector and local authorities, which still offer strong potential.

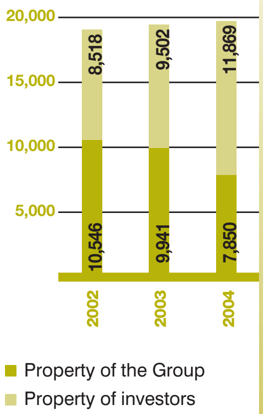
In Germany

Touax is expected to continue its improvement. As in the case of France, the priority is still to focus leasing activity on long-term contracts with industrial and local authority operators. In the long term, the German market remains the most important in Europe and is still very attractive.

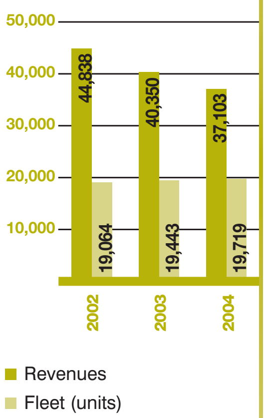


Fleet of modular buildings by country
(total: 19,719 units)

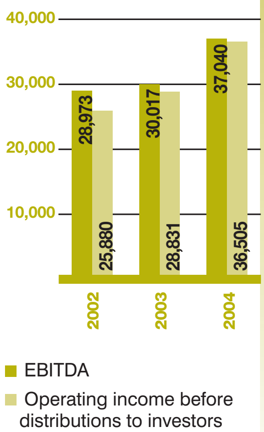
Fleet of modular buildings managed by the Group
(19,719 as at 31.12.2004)



Revenues from modular buildings
(€ thousands)



EBITDA and operating income
(€ thousands)



In the Benelux countries (the Netherlands and Belgium)

2005 should see a slight recovery after some difficult years. The Group will continue its commercial efforts in the area of long-term lease contracts and trading.

In Spain

The Group remains confident that its business will continue to grow with industrial and local authority operators, who are gradually discovering the advantages of modular buildings. Utilization rates at the start of 2005 have been higher than those observed in 2004.

In Poland

Demand remains buoyant in the building and public works sector and has recently become so in the industrial sector. EU accessions should also benefit growth in Poland as a whole and consequently the Group's activities in the country.

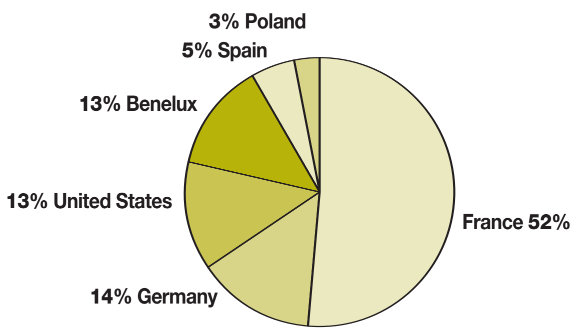
In the United States

The economy appears to be improving in Florida and Georgia. Lease rates and utilization rates have recovered this year and this should pave the way for a substantial rise in earnings.

Conclusion

The Group expects to consolidate its activities in the leasing and sale of modular buildings, provided the contribution from new management programs for investors remains at the same level. New investments will be undertaken in 2005, after two weak years.

In the medium term, the Group intends to significantly expand its presence in Europe and the south-east of the United States by concluding long-term contracts in the industrial sector and with local authorities, and through the development of trading. The Group's ambition is to achieve a 10% market share in Europe (5% in 2004) within five years.



Revenues from modular buildings by country
(total:€ 37,103,000)

River barges

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	27,363	28,934	31,441
Sales of equipment	0	0	0
Net revenue of pools	1,756	1,313	1,739
TOTAL OPERATING REVENUE	**29,119**	**30,247**	**33,180**
Cost of sales (1)	0	0	0
Operating expenses	(23,256)	(25,431)	(28,830)
Selling, general and administrative expenses	(2,482)	(2,321)	(2,448)
Capital gains on disposals (2)	370	109	1,767
EBITDA (3)	3,751	2,604	3,669
Depreciation and amortization	(1,486)	(2,400)	(1,743)
ROPERATING INCOME	**2,265**	**204**	**1,926**
Distributions to investors	(746)	(697)	(615)
Net operating income	1,519	(492)	1,311

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

(Consolidated figures, € thousands)	2004	2003
EBITDA (2) after distributions to investors	3,005	1,907
Gross fixed assets	32,717	33,857
Return on fixed assets (ROFA)(4)	9%	6%

(4) ROFA : Return On Fixed Assets.

Original currencies

River barges: US$ in the United States, South America and Romania (23%), in Eur ope (77%).

Trends in the world market

River transportation is the cheapest means of inland transport, and the most environmentally friendly. The Group operates in this sector in Europe and the United States, and at the end of 2004 had barges in the Garonne, Rhône, Seine, Rhine, Main, Meuse Moselle, Danube and Mississippi river basins. The Group's activities are as follows:

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

The competition (source TOUAX)

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

It is the leader in Europe for dry bulk barges.

Its main competitor, American Commercial Lines Inc, is a river transport operator in the United States with a fleet of 3,375 barges (source: ACL).

Customers and suppliers

River basins - Countries	Main customers
Seine, Rhône, Garonne - France	CFT, Morillon
Danube - Romania	Easy Shipping
Mississippi - USA	R.Miller and Olympic Marine (transport operators)
Rhin, Meuse, Moselle Netherlands and Germany	IRISL, electricity plants

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

2004

River traffic accounted for 16% of the Group's operating revenue and 7% of the total margin generated by its activities.

At the end of 2004, the Group managed a total fleet of 184 river units (representing a total capacity of 395,000 tonnes), 85% of which were based outside France.
In addition there were approximately 150 self-propelled barges chartered by our Dutch subsidiary CS DE JONGE BV.

The Group's barges operate principally under the TAF ("Transports et Affrètements Fluviaux") and EUROTAF trade names.

River barges

RIVER BARGES IN FRANCE

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	1,353	1,577	1,327
Sales of equipment	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**1,353**	**1,577**	**1,327**
Cost of sales (1)	0	0	0
Operating expenses	(119)	(634)	(405)
Selling, general and administrative costs	(535)	(389)	(321)
Capital gains on disposals (2)	24	6	0
EBITDA (3)	723	561	601
Depreciation and amortization	(502)	(621)	(470)
OPERATING INCOME	**221**	**(60)**	**131**
Distributions to investors	0	0	0
Net operating income	221	(60)	131

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

According to figures published by VNF (Voies Navigables de France), 2004 ended on a positive note with growth of 6.2% in traffic over the year to 7.3 billion kilometer tonnes carried. Growth came mainly from interior traffic flows (+3.5%) and international traffic flows (+14.5% imports and +5.9% exports). The sectors with the greatest increases were chemicals and metals, coal, fertilizers and construction materials.

In France, the Group is the largest lessor of barges (source: TOUAX). The main river carrier is Compagnie Fluviale de Transport (SOGESTRAN group). The equipment used on the Rhône and Seine comprises 22 barges with a total capacity of 55,000 tonnes at the end of 2004. Most river units are leased on long-term contracts ranging from one to ten years.

Revenues in 2004 totaled €1.4 million, against €1.6 million in 2003 (a decrease of 14% due to the sale of older barges).

RIVER BARGES IN THE NETHERLANDS

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	20,942	23,981	26,393
Sales of equipment	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**20,942**	**23,981**	**26,393**
Cost of sales (1)	0	0	0
Operating expenses	(17,829)	(20,528)	(23,318)
Selling, general and administrative costs	(1,483)	(1,522)	(1,558)
Capital gains on disposals	113	104	(14)
EBITDA (2)	1,743	2,035	1,503
Depreciation and amortization	(501)	(845)	(560)
OPERATING INCOME	**1,242**	**1,190**	**943**
Distributions to investors	(746)	(697)	(615)
Net operating income	496	493	328

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

The Rhine basin is connected to the port of Antwerp and flows into the North Sea through the port of Rotterdam. It is the waterway with the greatest potential in Europe. In this basin the Group operates through two subsidiaries in two different lines of business. The decrease in operating income can be explained by the sale of the stake in the Belgian company Eurokor Barging BVBA at the end of the third quarter of 2003.

- EUROBULK Transport Maatschappij BV, one of the major operators on the Rhine, is involved in four segments: dry bulk transportation and storage on barges, leasing of barges and the chartering of self-propelled barges. The company provides a full service, handling the direct transshipment from seagoing vessels to barges, waterborne storage, transport and leasing. The main goods transported or stored are coal, phosphates, fertilizers, ores and scrap iron. They are transported to the Netherlands, Belgium and Germany. At the end of 2004, the fleet operated by EUROBULK comprised 28 barges, 25 self-propelled barges and 3 pushboats, providing a total tonnage of 113,000 tonnes. In addition, CS de Jonge BV, a subsidiary of EUROBULK Transport Maatschappij BV, charters around 150 self-propelled barges. Activity in 2004 showed a contrasting picture, with barges improving but chartering showing a fall.
- INTERFEEDER DUCOTRA BV operates in two different sectors: (i) interfeeding – the repositioning of shipping containers by river between Antwerp and Rotterdam and (ii) the transport of containers on the Rhine. INTERFEEDER DUCOTRA is among the three principal river container transport operators on the Rhine (Source: TOUAX). Business was boosted during 2004 through contracts for the car market.

RIVER BARGES IN ROMANIA

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	5,068	3,376	3,721
Sales of equipment	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**5,068**	**3,376**	**3,721**
Cost of sales (1)	0	0	0
Operating expenses	(4,165)	(3,013)	(3,274)
Selling, general and administrative costs	(356)	(347)	(282)
Capital gains on disposals (2)	236	(1)	90
EBITDA (3)	783	15	255
Depreciation and amortization	(444)	(752)	(548)
OPERATING INCOME	**339**	**(737)**	**(293)**
Distributions to investors	0	0	0
Net operating income	339	(737)	(293)

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

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

The Group is one of the major private transport operators established in this market, where competition is today mainly limited to state-owned companies. The increase in revenues is due to normal navigation conditions in 2004 and a more favorable economic situation compared to the disruptions in 2003 caused by exceptional weather conditions (unprecedented drought).

River barges

RIVER BARGES IN THE UNITED STATES

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	0	0	0
Sales of equipment	0	0	0
Net revenue of pools	1,756	1,313	1,739
TOTAL OPERATING REVENUE	**1,756**	**1,313**	**1,739**
Cost of sales (1)	0	0	0
Operating expenses	(1,143)	(1,257)	(1,690)
Selling, general and administrative costs	(29)	(41)	(29)
Capital gains on disposals (2)	(3)	0	(66)
EBITDA (3)	581	15	(46)
Depreciation and amortization	(39)	(181)	(165)
OPERATING INCOME	**542**	**(167)**	**(211)**
Distributions to investors	0	0	0
Net operating income	542	(167)	(211)

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

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

On 31 December 2004, the Group's fleet consisted of 60 barges, providing a usable tonnage of 145,000 tonnes.

The entire fleet is leased to American operators who use it to transport grain for export and fertilizer, steel and cement for import.

Operating revenues grew in 2004 in tandem with the strong rise in the market witnessed towards the end of the year.

RIVER BARGES IN SOUTH AMERICA

(Consolidated figures, € thousands)	2004	2003	2002
Lease revenues	0	0	0
Sales of equipment	0	0	0
Net revenue of pools	0	0	0
TOTAL OPERATING REVENUE	**0**	**0**	**0**
Cost of sales (1)	0	0	0
Operating expenses	0	0	(143)
Selling, general and administrative costs	(79)	(22)	(258)
Capital gains on disposals (2)	0	0	1,757
EBITDA (3)	(79)	(22)	1,356
Depreciation and amortization	0	0	0
OPERATING INCOME	**(79)**	**(22)**	**1,356**
Distributions to investors	0	0	0
Net operating income	(79)	(22)	1,356

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

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

2005 OUTLOOK FOR RIVER TRANSPORTATION

In France

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

In the Netherlands

In 2005 the market for bulk transport and for container traffic is expected to remain stable. River transportation on the Rhine offers long-term growth prospects due to its competitiveness and ecological advantages in comparison with road transport and the development of containerization in Europe via Rotterdam. Danube feeder traffic is growing steadily.

In Romania

The Danube was reopened to river traffic in August 2001. The years since have allowed us to grow our market share and turnover. Breakeven was achieved in 2004. The demand for river transport is buoyant in 2005 thanks to the signing of a number of substantial contracts.

In the United States

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

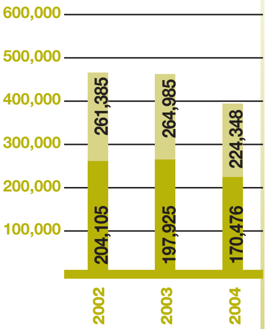
In South America

The Group does not foresee any business activity in 2005, but maintains the ultimate objective of returning to this market with long-term lease contracts.

Conclusion

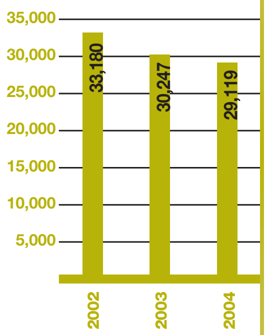
After several difficult years, the recovery of the river transportation business has been achieved. The objective now is to continue to improve profitability, allowing a resumption of capital expenditure. This should be possible in 2005, subject to satisfactory climate conditions and to a lesser extent the trend in the oil price in the case of the transport activity.

Tonnage managed by the Group

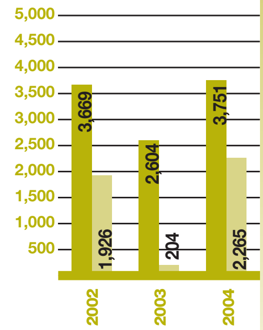


Tonnage owned by the Group
Tonnage owned by investors

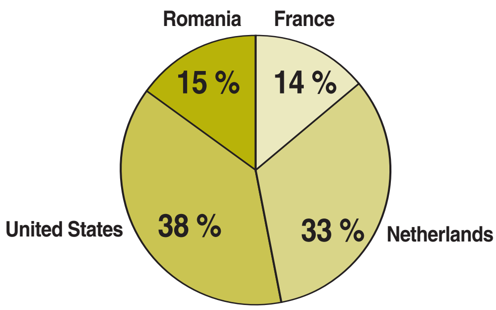
Revenues
(in € thousands)



EBITDA and operating income
(in € thousands)



EBITDA
Operating income before distributions to investors



River tonnage by country
(total: 394,824 tonnes)

Railcars

(Consolidated figures. € thousands)	2004	2003	2002
Lease revenues	4,560	4,388	2,039
Sales of equipment	6,687	2,240	565
Others	132	270	638
TOTAL OPERATING REVENUE	**11,379**	**6,899**	**3,242**
Cost of sales (1)	(5,949)	(2,053)	(228)
Operating expenses	(3,139)	(2,851)	(836)
Selling, general and administrative costs	(587)	(618)	(681)
Capital gains on disposals (2)	2,247	473	3,862
EBITDA (3)	3,951	1,850	5,359
Depreciation and amortization	(158)	(152)	(169)
OPERATING INCOME	**3,793**	**1,698**	**5,190**
Distributions to investors	(775)	(684)	(879)
Net operating income	3,018	1,014	4,311

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

(Consoplidated figures, € thousands)	2004	2003
EBITDA after distribution to investors	3,176	1,166
Gross fixed assets	9,557	9,791
Return on fixed assets (ROFA) (4)	33%	12 %

(4) ROFA: Return on fixed assets

Original currencies:

EUR in Europe (99%), USD in the United States (1%).

Trend in the market

Combined rail-road transport declined once again in France in 2004 as a result of a number of industrial disputes (Source: Association Française des Wagons de Particuliers). It showed no growth in Europe. One should note, however, that both French and European authorities have expressed their desire to favor intermodal transport.

Europe has adopted an in-principle intermodal approach designed to underpin EU transport policy: this includes Directive 92/106/EEC, which involves the deregulation of combined transport operations, the PACT 1997-2001 program, designed to encourage the entry of new players into the market and improve connections between European infrastructures. This posture has been confirmed in recent years by way of "white papers": an organization called Eurift has been put in place to promote the concept of combined transport, while the MARCO POLO program [EC regulation 1382/2003 of 22 July 2003] takes over from the PACT program, which has come to an end. The rail freight market has been deregulated since March 2003. This deregulation is certain to provide opportunities for leasing companies.

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

The competition

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

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

Customers and suppliers

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

Main customers	Share of total revenue
CNC (France)	49%
English Welsh & Scottish CSDC (Great Britain)	13%
Hupac Intermodal (Switzerland)	12%
Intercontainer Interfrigo (Switzerland)	9%
Eurocombi SPA (Italy)	4%

Main suppliers	Services
Techni Industrie	Spare parts, bogies
SNCF, Ferifos	Axle repairs
Arbel Fauvet Rail, Trinity Rail	Manufacturer
SDHF, Lormafer, AFG	Maintenance, repair workshop

2004

The 2002 alliance of the TOUAX Group and the KBC Banque & Assurance group has given the company's railcar leasing activities the necessary resources to meet increasing demand.

At the end of 2004, the fleet comprised 2,668 railcars, representing an increase of 54% compared to 2003 (2,446 railcars in Europe against 1,514 in 2003 and 222 in the United States, a number which has remained constant since 2003). The investment in 700 intermodal railcars, 300 of which are secondhand, explains the strong increase in fleet size and turnover.

OUTLOOK FOR RAILCAR LEASING IN 2005

In Europe

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

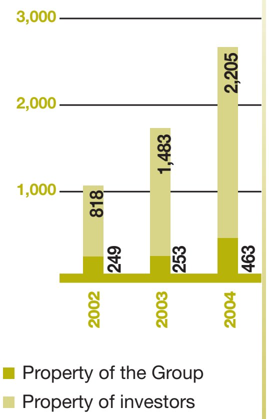
The Group's ambition is to become the leading European specialist in the leasing of intermodal railcars.

In the United States

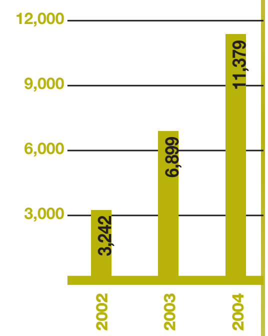
The Group has specialized in the leasing of hopper railcars and intends to develop its partnership with Chicago Freight Car Leasing Co.

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

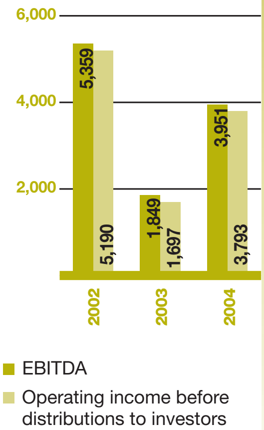
Railcar fleet managed by the Group
(2,668 railcars as at 31.12.2004)



Revenues
(€ thousands)



EBITDA and operating income
(€ thousands)



Glossary

Self-propelled barge
motorized river barge.

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

BPW
building and public works

Transport capacity
daily transport capacity of a vessel

Shipping container
metallic container based on standardized measurements, for the transport of goods
20' Dry container: standard container measuring 20′ x 8′ x 8.6′.
40′ dry container: standard container measuring 40′ x 8′ x 8.6′.

Open top container
open-top container for outsize loads.

Flat container
platform container for special loads.

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

Reefer container
refrigerated container.

Modular building
buildings made up of standard elements (modules) stacked and juxtaposed on the site without alteration at the time of installation.

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

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

Pool
equipment grouping.

Pushboat
motorized vessel used to push river barges.

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

TEU (twenty foot equivalent unit)
measurement unit used for containers. This unit can be physical (one forty-foot is equivalent to two twenty-foot containers) or financial (the price of a forty-foot is equal to 1.6 times the price of a twenty-foot container). The measurement unit used in this report is a physical unit (TEU), unless otherwise indicated (financial unit – FTEU).

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

Intermodal transport/combined transport
transporting goods using more than one means of transport, integrated over long distances and in the same container.

Railcar
rail wagon used to transport goods.
45′, 60′, 90′ and 106′ multifreight and flat wagons: freight wagons with standardized dimensions.

Consolidated income statement as at 31 december

Notes Number	(€ thousands)	2004	2003	2002
3	**REVENUES**	**180,583**	**167,769**	**147,678**
4	Purchases and other external expenses	(122,385)	(115,260)	(96,299)
5	Personnel expenses	(11,550)	(11,648)	(11,984)
6	Other operating income and expenses	3,866	2,358	7,444
	GROSS OPERATING PROFIT	**50,514**	**43,219**	**46,839**
7	Operating provisions	975	(136)	931
	EBITDA	**51,489**	**43,083**	**47,770**
8	Depreciation and amortization	(6,237)	(8,088)	(9,759)
	OPERATING INCOME	**45,252**	**34,995**	**38,011**
9	Lease revenues due to investors	(36,862)	(30,880)	(27,574)
	OPERATING INCOME AFTER DISTRIBUTION TO INVESTORS	**8,390**	**4,115**	**10,437**
10	**FINANCIAL RESULT**	**(3,712)**	**(3,047)**	**(5,002)**
	UNDERLYING PRETAX EARNINGS	**4,678**	**1,068**	**5,435**
11	Tax on profits	(1,611)	2,811	(1,783)
	NET INCOME FROM CONSOLIDATED COMPANIES	**3,067**	**3,879**	**3,652**
12	Amortization of goodwill	(236)	(1,201)	(1,144)
	CONSOLIDATED NET INCOME	**2,831**	**2,678**	**2,508**
	Minority interests	386	(109)	7
	CONSOLIDATED NET ATTRIBUTABLE INCOME	**3,217**	**2,569**	**2,515**
	Earnings per share (1)	1.13	0.91	0.89

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

Analytical income statement as at 31 december

(€ thousands)	2004	2003	2002
Lease revenues	108,396	106,965	110,121
Sales of equipment	70,227	59,125	35,066
Commissions	89	219	544
Managed equipment program distributions	1,871	1,460	1,947
TOTAL REVENUES	**180,583**	**167,769**	**147,678**
Cost of sales	(65,135)	(55,676)	(31,833)
Operating expenses	(55,132)	(56,308)	(58,819)
Selling, general and administrative expenses	(10,314)	(12,114)	(12,300)
Overheads	(3,060)	(2,878)	(3,026)
Capital gains on disposals	4,547	2,290	6,070
EBITDA	**51,489**	**43,083**	**47,770**
Depreciation and amortization	(6,237)	(8,088)	(9,759)
OPERATING INCOME	**45,252**	**34,995**	**38,011**
Lease revenues due to investors	(36,862)	(30,880)	(27,574)
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Minority interests	386	(109)	7
CONSOLIDATED NET ATTRIBUTABLE INCOME	**3,217**	**2,569**	**2,515**
Earnings per share (1)	1.13	0.91	0.89

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

Consolidated balance sheet as at 31 december

Notes Number	(€ thousands)	2004	2003	2002
	ASSETS			
12	Goodwill	2,410	2,649	3,871
12	Other net intangible fixed assets	277	313	391
13	Net tangible fixed assets	76,072	86,980	106,102
14	Financial fixed assets	10,557	12,071	14,021
	Total fixed assets	**89,316**	**102,013**	**124,385**
15	Inventories and work in progress	13,033	4,332	1,611
16	Trade debtors	28,094	21,230	26,366
17	Other receivables	21,594	16,526	16,670
	Cash and short-term investments	32,185	27,525	17,411
	Total current assets	**94,906**	**69,613**	**62,058**
	TOTAL ASSETS	**184,222**	**171,626**	**186,443**
	LIABILITIES			
	Share capital	22,705	22,705	22,705
	Reserves	20,375	20,760	26,098
	Net attributable income for the period	3,217	2,569	2,515
18	**Group shareholders' equity**	**46,297**	**46,034**	**51,318**
	Minority interests	186	725	857
	Total shareholders' equity	**46,483**	**46,759**	**52,175**
19	Provisions for liabilities and charges	722	376	337
20	Financial debt	72,662	79,767	81,813
21	Trade creditors	35,776	27,227	17,746
22	Other liabilities	28,579	17,497	34,372
	TOTAL LIABILITIES	**184,222**	**171,626**	**186,443**

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

TABLE OF GROUP MANAGEMENT BALANCES AS AT 31 DECEMBER

(€ thousands)	2004	2003	2002
Sale of goods	70,227	59,125	35,065
Purchase cost of goods sold	(65,159)	(55,676)	(31,833)
GROSS PROFIT	**5,068**	**3,449**	**3,232**
Production for the period	110,356	108,644	112,612
Charges from third parties	(56,477)	(59,068)	(61,326)
ADDED VALUE	**58,947**	**53,025**	**54,518**
Taxes and duties	(454)	(582)	(833)
Personnel expenses	(11,551)	(11,649)	(11,984)
Capital gains on disposals	4,547	2,290	6,069
EBITDA	**51,489**	**43,084**	**47,770**
Depreciation and amortization	(6,237)	(8,088)	(9,759)
OPERATING INCOME	**45,252**	**34,996**	**38,011**
Share of income from joint operations (distributions to investors)	(36,862)	(30,880)	(27,574)
Financial income	1,246	1,684	1,616
Financial expenses	(4,958)	(4,732)	(6,618)
PRETAX UNDERLYING EARNINGS	**4,678**	**1,068**	**5,435**
Corporation tax	(1,611)	2,811	(1,783)
Amortization of goodwill	(237)	(1,201)	(1,144)
CONSOLIDATED NET INCOME	**2,830**	**2,678**	**2,508**

GROUP CASH FLOW AS AT 31 DECEMBER

(€ thousands)	2004	2003	2002
EBITDA (INCLUDING CAPITAL GAINS ON DISPOSALS)	**51,489**	**43,084**	**47,770**
Share of income from joint operations (distributions to investors)	(36,862)	(30,880)	(27,574)
Financial income	1,246	1,672	1,391
Financial expenses	(4,413)	(4,696)	(6,412)
Corporation tax	(294)	(167)	(1,472)
Capital gains on disposals	(4,547)	(2,290)	(6,069)
CONSOLIDATED CASH FLOW (after taxes and financial expenses)	**6,619**	**6,723**	**7,634**

CONSOLIDATED CASH FLOW AS AT 31 DECEMBER

(€ thousands)	2004	2003	2002
CONSOLIDATED NET INCOME	**2,830**	**2,678**	**2,508**
Depreciation of fixed assets	6,126	8,037	9,905
Change in provisions	1,973	(2,903)	146
Amortization of goodwill	237	1,201	1,144
Capital gains on disposals	(4,547)	(2,290)	(6,069)
CONSOLIDATED CASH FLOW (after taxes and financial expenses)	**6,619**	**6,723**	**7,634**
Sale price of sold fixed assets	28,014	19,128	19,311
CONSOLIDATED NET CASH FLOW	**34,633**	**25,851**	**26,945**

Consolidated statement of source and application of funds as at 31 december

(€ thousands)	2004	2003	2002	2001	2000
I. Operating activities					
Operating cash flow	6,619	6,723	7,634	8,861	5,180
Change in working capital requirement	(661)	10,993	761	5,303	(18,524)
CASH FLOW ASSOCIATED WITH OPERATING ACTIVITIES	**5,958**	**17,716**	**8,395**	**14,164**	**(13,344)**
II. Investment activities					
Acquisition of fixed assets	(21,147)	(13,405)	(19,133)	(48,783)	(56,458)
Net change in financial fixed assets	(2,109)	421	10,194	128	(2,098)
Proceeds of asset disposals	28,014	19,128	19,311	33,771	15,499
Change in investment working capital requirement	976	(12,683)	9,855	(5,542)	4,094
Cash position of newly consolidated or deconsolidated companies	6	(227)	221		
CASH FLOW ASSOCIATED WITH INVESTMENT ACTIVITIES	**5,740**	**(6,766)**	**20,448**	**(20,426)**	**(38,963)**
III. Financing activities					
Net change in financial debt	(4,859)	3,698	(9,578)	2,856	22,730
Net increase in shareholders' equity	2,673	2	(684)	3,560	5,415
Dividends distributed	(1,710)	(1,703)	(2,205)	(2,030)	(1,522)
Change in financing working capital requirement					179
CASH FLOW ASSOCIATED WITH FINANCING ACTIVITIES	**(3,896)**	**1,997**	**(12,467)**	**4,386**	**26,802**
IV. Impact of exchange rate fluctuations - various					
Exchange rate fluctuations - various	(1,360)	(2,519)	(903)	297	2,249
CASH FLOW ASSOCIATED WITH EXCHANGE RATE FLUCTUATIONS	**(1,360)**	**(2,519)**	**(903)**	**297**	**2,249**
CHANGE IN CASH POSITION (I) + (II) + (III) + (IV)	**6,442**	**10,428**	**15,473**	**(1,579)**	**(23,256)**
Cash position at start of year	23,148	12,720	(2,753)	(1,174)	22,082
CASH POSITION AT END OF YEAR	**29,590**	**23,148**	**12,720**	**(2,753)**	**(1,174)**

The change in the operating working capital requirements corresponds to the change in the operating receivables less the change in the operating debts. The change in the investment working capital requirements corresponds to the change in the investment receivables less the change in the investments debts.

In 2004, the operating working capital requirement and the investment working capital requirement remained unchanged.

In 2003, the operating working capital requirement decreased due to the delivery of the equipment at the year-end which was due to be paid for in 2004. The investment working capital requirement increased following the payment in 2003 for investments delivered in 2002.

In 2002, the operating working capital requirement was unchanged, and the investment working capital requirement decreased following the delivery of fixed assets to be paid for at the end of 2003.

Notes to the consolidated financial statements
(All figures are in thousands of euros unless stated otherwise)

1. Accounting principles

1.1. General

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

1.2. Consolidation and valuation methods

Scope of consolidation

All companies in which TOUAX SA has a majority interest are consolidated by the global integration method, with appropriate entries for minority interests.
Companies controlled jointly by TOUAX SA and another partner or associate are consolidated by the proportional integration method.

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

Entities created for asset-backed securitization are not included within the consolidation, as the Group exercises no control over them within the meaning of CRC regulation 99-02. The Group does not have the power of decision in respect of the entities concerned or their assets. The Group does not own the majority of the economic benefits of these entities and does not bear the majority of the risks. Full details of these operations are provided in notes 23.5 to 23.8. Application of CNC opinion 2004-8 does not change the current situation.

Year-end date

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

Foreign currency debts and receivables

Foreign currency debts and receivables are valued at the exchange rate prevailing on 31 December of the financial year; the translation differences relating to monetary assets and liabilities denominated in foreign currencies (unrealized gains and losses) are taken to the income statement.
Foreign exchange gains and losses on any monetary item which effectively forms an integral part of the net assets in a consolidated foreign company are included in shareholders' equity until the sale or liquidation of such net assets, in accordance with CRC regulation 99-02.

Translation of the financial statements of foreign companies

Balance sheets of foreign companies are translated into euros at year-end exchange rates. Income statements and cash flows are translated into euros at the average exchange rate for the year.
Profits or losses arising from the translation of financial statements of foreign companies are accounted for in a translation reserve included in consolidated shareholders' equity.

Goodwill

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

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

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

Other intangible assets

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

Tangible fixed assets

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

The estimated useful life of new equipment falls within the following ranges:
- Shipping containers (of the dry goods type) .... 15 years
- Modular buildings .... 20 years
- River transportation (barges and pushboats) ....30 to 35 years
- Railcars .... 30 years

Shipping containers are depreciated with a residual value of 15% in accordance with the standard practice in the industry.

Modular buildings in the United States are depreciated over 20 years on the basis of a residual value of 50% in accordance with the practice in the United States.

Secondhand equipment is depreciated by the straight-line method over its estimated remaining useful life. Secondhand river barges are depreciated over an average of 20 years.

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

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

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

When the asset value is less than the gross value, provisions are created to cover the difference.

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

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

Group owned
In accordance with regulation 99-02 (§ 271), the treatment of Group owned shares in the consolidated financial statements depends on their accounting classification in the individual accounts. Taking into account the existing liquidity contract, own shares are stated at their historical cost as investment securities in the individual accounts and maintain this position in the consolidated accounts (amounting to €30,000 as at 31 December 2004). An impairment provision is created if the closing price is below the purchase value.

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

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

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

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

Post balance sheet events
None

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

Notes to the consolidated financial statements

2. Scope of consolidation

Number of consolidated companies	2004	2003	2002
French companies	3	3	3
Foreign companies	27	25	26
TOTAL	**30**	**28**	**29**

2.1. Changes to the consolidated group in 2004

Entries/departures

Portable Storage Services Llc, created in 2003, and Gold Container Finance Llc and Touax Rail Finance Ltd, created in 2004, are now integrated into the consolidated group.

TOUAX Installatietechnik BV has merged with its parent company TOUAX BV.

Contributions of companies leaving and entering the consolidated group

(€ thousands)	2004		2003		2002	
	Turnover	Net income	Turnover	Net income	Turnover	Net income
ENTERING						
Siko Polska Sp.z.oo.					838	(297)
Eurobulk Belgium BVBA						(2)
Touax Rail Ltd					1,686	535
Almafin Rail Investment Ltd						(12)
CFCL Touax Llp					18	1
Gold Container Finance Llc		18				
Portable Storage Services Llc	898	(255)				
Touax Rail Finance Ltd		(71)				
TOTAL for companies entering the Group	**898**	**(308)**	**0**	**0**	**2,542**	**225**
LEAVING						
Eurokor Barging BVBA			4,758	61		
TOTAL for companies leaving the Group	**0**	**0**	**4,758**	**61**	**0**	**0**

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

2.2. List of consolidated companies in 2004

COMPANY NAME	ADDRESS AND REG. NO.	CONTROL PERCENTAGE	METHOD OF CONSOLIDATION
TOUAX SA Investment and holding company for investment and operating companies engaged in transport and leasing of equipment	Tour Arago – 5, rue Bellini 92806 PUTEAUX LA DÉFENSE cedex (FRANCE) SIREN 305 729 352		GI
ALMAFIN RAIL INVESTMENT Ltd Railcar investment, leasing and sales company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	49 %	PI
CFCL TOUAX Llp Railcar investment, leasing and sales company	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	51 %	PI
CS DE JONGE BV River transportation company	Plaza 22 4780 AA MOERDIJK (NETHERLANDS)	100 %	GI
EUROBULK BELGIUM BVBA River transportation holding company	BC Leuven zone 2 Interleuvnlaan – 62 Bus 10 B3001 LEUVEN (BELGIUM)	97.9346 %	GI
EUROBULK TRANSPORTMAATSCHAPPIJ BV River transportation and equipment management company	Amstelwijckweg 15 3316 BB DORDRECHT (NETHERLANDS)	100 %	GI
GOLD CONTAINER Corporation Shipping container investment, leasing sales company	169E Flager street – Suite 730 MIAMI, FL 33131 (USA)	100 %	GI
GOLD CONTAINER FINANCE Llc Shipping container investment company	169E Flager street – Suite 730 MIAMI, FL 33131 (USA)	100 %	GI
GOLD CONTAINER GmbH Modular building leasing and sales company	Lessingstrasse 52 Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100 %	GI
INTERFEEDER-DUCOTRA BV Company for river transportation and repositioning of containers	Amstelwijckweg 15 3316 BB DORDRECHT (NETHERLANDS)	77.1359 %	GI
MARSTEN/THG MODULAR LEASING Corp WORKSPACE PLUS D/B/A Modular building investment, leasing and sales company	801 Douglas Avenue Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100 %	GI
PORTABLE STORAGE SERVICES Llc Shipping container investment, leasing and sales company	169E Flager street – Suite 731 MIAMI, FL 33131 (USA)	51 %	GI
SIKO CONTAINERHANDEL GmbH Modular building leasing and sales company	Lessingstrasse 52 Postfach 1270 21625 NEU WULMSTORF (GERMANY)	100 %	GI
SIKO POLSKA Sp.z.o.o Modular building investment, leasing and sales company	21 Limbowa St 80-175 GDANSK (POLAND)	100 %	GI
TOUAX BV Modular building investment, leasing and sales company	Graanweg 13 (Havennr M240) 4782 PP MOERDIJK (NETHERLANDS)	100 %	GI

Notes to the consolidated financial statements

COMPANY NAME	ADDRESS AND REG. NO.	CONTROL PERCENTAGE	METHOD OF CONSOLIDATION
TOUAX CAPITAL SA Equipment management company	C/0 Progressia 18 rue Saint Pierre 1700 FRIBOURG (SWITZERLAND)	99.99 %	GI
TOUAX CONTAINER LEASE RECEIVABLES Corporation Investment company in accordance with the Trust 98 constitution	1013 Centre Road WILMINGTON, DELAWARE 19805 (USA)	100 %	GI
TOUAX CONTENEURS SERVICES SNC Service company for shipping container business	Tour Arago – 5, rue Bellini 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100 %	GI
TOUAX Corporation Investment and holding company for equipment leasing and transport companies	801 Douglas Avenue – Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100 %	GI
TOUAX EQUIPMENT LEASING Corporation Investment company in accordance with the Trust 2000 constitution	1013 Centre Road WILMINGTON DELAWARE 19805 (USA)	100 %	GI
TOUAX ESPANA SA Modular building investment, leasing and sales company	P.I Cobo Calleja – Ctra. Villaviciosa a Pinto Km 17800 28947 FUENLABRADA (SPAIN)	100 %	GI
TOUAX FINANCE Incorporated Investment company in accordance with the Trust 95 constitution	Lockerman Square, Suite L 100 DOVER, DELAWARE 19901 (USA)	100 %	GI
TOUAX LEASING Corporation River transportation company	801 Douglas Avenue – Suite 207 ALTAMONTE SPRINGS, FL 32714 (USA)	100 %	GI
TOUAX LPG SA et IOV LTD River transportation company	Benjamin Constant 593 ASUNCION (PARAGUAY)	100 %	GI
TOUAX MODULES SERVICES SAS Service company for the modular buildings business	Tour Arago – 5, rue Bellini 92806 PUTEAUX LA DÉFENSE cedex (FRANCE)	100 %	GI
TOUAX NV Modular building investment, leasing and sales company	Staatsbaan 4 C/1 bus 4 3210 LUBBEEK (BELGIUM)	100 %	GI
TOUAX RAIL Ltd Railcar investment, leasing and sales company	Bracetown Business Park CLONEE Co. Meath (IRLANDE)	51 %	PI
TOUAX RAIL FINANCE Ltd Railcar investment company	Bracetown Business Park CLONEE Co. Meath (IRELAND)	50.46 %	PI
TOUAX ROM SA River transportation company	Cladire administrativa Mol 1S, Étage 3 CONSTANTA SUD-AGIGEA (ROUMANIA)	97.9978 %	GI
TOUAX RAIL ROMANIA SA (ex TOUAX SAAF SA) Railcar leasing and trading company	Cladire administrativa Mol 1S, Étage 3 CONSTANTA SUD-AGIGEA (ROUMANIA)	57.4996 %	PI

GI = global integration
PI = proportional integration

Notes to the consolidated income statement

3. . Revenues

3.1. Breakdown by typee

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Lease revenues	108,396	106,965	1,431	1%	110,121
Sales of equipment	70,227	59,125	11,102	19%	35,066
Commissions	89	219	(130)	-59%	544
Managed equipment program distributions	1,871	1,460	411	28%	1,947
TOTAL	**180,583**	**167,769**	**12,814**	**8%**	**147,678**

Managed equipment program distributions comprise revenue from the leasing of equipment (shipping containers, river barges and railcars) which belong to the Group but are managed under contract by non-Group operating companies, such as Transamerica in the case of shipping containers, Robert Miller & Co., Ceres and Olympic Marine in the case of barges on the Mississippi and Genesee & Wyoming Leasing Corp. in the case of railcars in the United States

3.2. Breakdown by activity

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
3.2.1 Shipping containers	102,866	90,127	12,739	14%	66,278
3.2.2 Modular buildings	37,103	40,350	(3,247)	-8%	44,838
3.2.3 River barges	29,119	30,247	(1,128)	-4%	33,180
3.2.4 Railcars	11,379	6,899	4,480	65%	3,242
Miscellaneous	116	146	(30)	-21%	140
TOTAL	**180,583**	**167,769**	**12,814**	**8 %**	**147,678**

3.2.1. Revenues - shipping containers

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)
Lease revenues	45,208	40,637	4,571	11%
Sales of equipment	57,587	49,395	8,192	17%
Commissions	52	57	(5)	-9%
Managed equipment program distributions	19	38	(19)	-50%
TOTAL	**102,866**	**90,127**	**12,739**	**14 %**

In spite of the decline of the dollar, lease revenues rose by 11%. This increase reflects the increase in utilization rates (93.5% in 2004 compared to an average of 88.3% in 2003) and the rise in the number of units managed.

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

Notes to the consolidated income statement

3.2.2. Revenues - modular buildings

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)
Lease revenues	31,150	32,860	(1,710)	-5%
Sales of equipment	5,953	7,490	(1,537)	-21%
TOTAL	**37,103**	**40,350**	**(3,247)**	**– 8 %**

The decrease in revenues is explained mainly by the fall in leasing rates, weak sales and, to a lesser extent, the decrease in the average utilization rate (73.6% in 2004 compared to 74.6% in 2003).

3.2.3. Revenues - river barges

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)
Transport and leasing revenues	27,363	28,934	(1,571)	-5%
Managed equipment program distributions	1,756	1,313	443	34%
TOTAL	**29,119**	**30,247**	**(1,128)**	**– 4 %**

The transport and leasing revenue figure records the transport, chartering, storage and leasing of barges and pushboats.

The fall in transport and leasing revenues in 2004 can be explained by the sale, on 30 September 2003, of Eurokor Barging BV (consolidated revenues of € 4.8 million in 2003), partly offset by the increase in activity in the Netherlands (+ € 1.7 million) and in Romania (+ € 1.7 million).

3.2.4. Revenues - railcars

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)
Lease revenues	4,560	4,388	172	4%
Sales of equipment	6,687	2,240	4,447	199%
Commissions	37	162	(125)	-77%
Managed equipment program distributions	95	109	(14)	-13%
TOTAL	**11,379**	**6,899**	**4,480**	**65 %**

Railcar revenues increased as a result of the completion of new management programs.

3.3. Geographical breakdown of revenues

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Europe	71,011	72,255	(1,244)	-2%	74,488
United States	6,706	5,387	1,319	24%	6,912
South America	0	0	0	na	0
International (shipping containers)	102,866	90,127	12,739	14%	66,278
TOTAL	**180,583**	**167,769**	**12,814**	**8 %**	**147,678**

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

4. . Purchases and other external charges

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Purchases of goods	(66,038)	(56,787)	(9,251)	16%	(33,193)
Other external services	(55,893)	(57,890)	1,997	-3%	(62,273)
Taxes and duties	(454)	(583)	129	-22%	(833)
TOTAL	**(122,385)**	**(115,260)**	**(7,125)**	**6 %**	**(96,295)**

Purchases of goods

The increase in goods purchased is a result of the increase in sales of equipment.

Other external services

The decrease in other external services is linked essentially with the departure of Eurokor Barging BV from the consolidated group on 30 September 2003.

Taxes and duties

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

5. Personnel costs

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Europe	(10,324)	(10,551)	227	– 2 %	(10,803)
United States	(1,226)	(1,097)	(129)	12 %	(1,181)
TOTAL	**(11,550)**	**(11,648)**	**98**	**– 1 %**	**(11,984)**

6. Other operating expenses and income

((€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Expenses & income from everyday operations	(681)	68	(749)	-1,101%	1,374
Capital gains from asset disposals	4,547	2,290	2,257	99%	6,070
Shipping containers	(591)	(158)	(433)	274%	(14)
Modular buildings	2,536	2,060	476	23%	499
River barges	370	109	261	239%	1,767
Railcars	2,232	472	1,760	373%	3,862
Miscellaneous	0	(193)	193	-100%	(44)
TOTAL	**3,866**	**2,358**	**1,508**	**64 %**	**7,444**

Capital gains on sales of equipment are everyday transactions for an operational leasing company but may vary depending on demand from new investors.

Capital gains on sales of modular buildings and railcars are principally a result of the implementation of new management programs. They also include an additional sum resulting from the sale of the railcar business in 2002.

In the shipping containers business, the capital loss on the sale of assets results from the departure of equipment lost as the result of a customer bankruptcy. This capital loss is offset for by the release of a provision of € 778,000 (note 8).

Notes to the consolidated income statement

7. Operating provisions

(€ thousands)	Allocated	Released	Net allocation/release
Bad and doubtful debts			
Shipping containers	0	1,219	1,219
Modular buildings	(187)	13	(174)
River barges	(70)	0	(70)
TOTAL	**(257)**	**1,232**	**975**

8. Depreciation and amortization

8.1. Breakdown by type

(€ thousands)	2004	2003	Change 2004-2003	Change (en %)	2002
Straight-line depreciation	(4,942)	(5,724)	782	-14%	(7,259)
Depreciation of leased equipment	(1,962)	(2,313)	351	-15%	(2,646)
SUBTOTAL	**(6,904)**	**(8,037)**	**1,133**	**– 14 %**	**(9,905)**
Other changes in provisions	667	(51)	718	– 1,408 %	146
TOTAL	**(6,237)**	**(8,088)**	**1,851**	**– 23 %**	**(9,759)**

The decrease in depreciation and amortization is related to the sale to investors of assets whose management has been entrusted to the Group. Assets sold are modular buildings and railcars.

The impairment tests conducted on the Group's assets in 2003 revealed decreases in the value of certain assets in the river barges business (valued at the market value by the company) and gave rise to an additional allocation of €605,000, offsetting the significant reduction in depreciation (€2,475,000).

Other changes in provisions relate mainly to releases of provisions previously established in respect of losses in the shipping container business (€778,000) and provisions for labor disputes (- €26,000) and fiscal risk (- €115,000).

8.2. Breakdown of depreciation and amortization

(€ thousands)	2004	2003	Change 2004-2003	Change (en %)	2002
Shipping containers	**(1,312)**	**(1,169)**	**(143)**	**12 %**	**(3,078)**
– Owned	(1,267)	(796)			(2,514)
– Leased	(45)	(373)			(564)
Modular buildings	**(3,807)**	**(4,191)**	**384**	**– 9 %**	**(4,726)**
– Owned	(2,233)	(2,589)			(3,017)
– Leased	(1,574)	(1,602)			(1,709)
River barges	**(1,525)**	**(2,379)**	**854**	**– 36 %**	**(1,758)**
– Owned	(1,293)	(2,152)			(1,531)
– Leased	(232)	(227)			(227)
Railcars	**(158)**	**(156)**	**(2)**	**1 %**	**(169)**
– Owned	(47)	(45)			(22)
– Leased	(111)	(111)			(147)
Others	**(102)**	**(142)**	**40**	**– 28 %**	**(174)**
– Owned	(102)	(142)			(174)
TOTAL	**(6,904)**	**(8,037)**	**1,133**	**– 14 %**	**(9,905)**

9. Lease revenues due to investors

The Group operates and manages equipment on behalf of third parties as part of its activities in river transportation and the leasing of barges, shipping containers, modular buildings and railcars. Pools have been formed for this purpose, grouping together several investors including the Group. This organization allows for the sharing of revenues and expenses relating to equipment contained within a single pool.

The Group acts as principal and not as agent. The Group has complete freedom to choose the customers, manufacturers and suppliers with which it deals, as it does when negotiating the purchase, lease or sale price of any equipment it may manage. The revenues stated by the Group include the gross lease amounts invoiced to customers for all equipment managed in pools. The operating expenses relating to all the managed equipment are stated in operating charges (the operating expenses title in the analytical income table).

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

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

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

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Shipping containers	(31,314)	(25,867)	(5,447)	21%	(22,715)
Modular buildings	(4,027)	(3,633)	(394)	11%	(3,365)
River barges	(746)	(696)	(50)	7%	(615)
Railcars	(775)	(684)	(91)	13%	(879)
TOTAL	**(36,862)**	**(30,880)**	**(5,982)**	**19 %**	**(27,574)**

Shipping containers

The Group manages a total container fleet for third parties of 222,520 TEU:

– Trust 98 and Trust 2001 (34,618 containers, or 53,428 TEU),

– Management programs (112,435 containers, or 169,092 TEU).

Modular buildings

The Group manages 11,869 modular buildings for third parties in France, the United States, Germany and the Netherlands.

River barges

The revenues paid to investors relate to a fleet managed in the Netherlands by the subsidiary Eurobulk Transportmaatschappij BV, under bare-boat leasing contracts.

Railcars

The group manages 2,205 railcars for third parties in Europe and the United States.

Notes to the consolidated income statement

10. . Financial result

(€ thousands)	2004	2003	Change 2004-2003	Change (in %)	2002
Dividends (from non-Group companies)	**0**	**10**	**(10)**	**-100%**	**0**
Income from SCI Arago	**0**	**0**	**0**	**na**	**13**
Financial expenses and income					
– Net financial income	163	240	(77)	-32%	843
– Interest expense on borrowings	(1,746)	(1,680)	(66)	4%	(2,754)
– Interest on leases	(1,747)	(2,194)	447	-20%	(2,675)
– Net expenses on sales of short-term investments	32	(35)	67	-191%	0
Net financial expenses	**(3,298)**	**(3,669)**	**371**	**-10 %**	**(4,586)**
Provisions			**0**	**na**	
– Released	0	55	(55)	– 100 %	224
– Allocated	(545)	(45)	(500)	1,111 %	(206)
Net allocations releases	**(545)**	**10**	**(555)**	**– 5,550 %**	**18**
Currency translation difference					
– Positive	1,052	1,355	(303)	– 22 %	432
– Negative	(921)	(753)	(168)	22 %	(879)
Net currency difference	**131**	**602**	**(471)**	**– 78 %**	**(447)**
FINANCIAL RESULT	**(3,712)**	**(3,047)**	**(665)**	**22 %**	**(5,002)**

The increase of €665,000 in the net financial expense results mainly from increased foreign exchange losses related to the fall in the value of the dollar, offset by a fall in financial interest rates. The transfers to provisions comprise principally a provision for foreign exchange losses of €508,000.

11. Corporation tax

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

The Group has opted for the tax consolidation system in the United States, France and the Netherlands. The American fiscal group comprises the companies TOUAX Corp., TOUAX Leasing Corp., Gold Container Corp., Gold Container Finance Llc, Portable Storage Services Llc, Workspace Plus, TOUAX Finance Inc., TOUAX Container Lease Receivables Corp. ("Leasco 1") and TOUAX Equipment Leasing Corp. ("Leasco 2"). The French fiscal group comprises the companies TOUAX SA and TOUAX Modules Services SAS. The legal reorganization of activities in the Benelux countries has led to the creation of two fiscal groups in the Netherlands: on the one hand TOUAX BV and on the other hand EUROBULK Transport Maatschappij BV and CS de Jonge BV.

Analysis of the tax charge

(€ thousands)	2004			2003			2002		
	Due	Deferred	Total	Due	Deferred	Total	Due	Deferred	Total
Europe	(291)	(45)	(336)	(171)	158	(13)	(1,472)	215	(1,257)
USA	(2)	(1,274)	(1,276)	4	2,794	2,798		(680)	(680)
South America		1	1		26	26		154	154
TOTAL	**(293)**	**(1,318)**	**(1,611)**	**(167)**	**2,978**	**2,811**	**(1,472)**	**(311)**	**(1,783)**

In 2004, the net tax figure was negative at €1.6 million. This related to a deferred tax liability resulting largely from American taxation (- €1,274,000).

In 2003, the net tax figure was positive at €2.8 million. This related to a deferred tax receivable in the American fiscal group.

(€ thousands)	2004
Net income of consolidated companies	2,831
Goodwill allocation and provision	236
Corporation tax	1,611
Result before tax and goodwill amortization	**4,678**
Theoretical tax charge at 34.33%	1,606
Impact on the theoretical tax of :	
Tax rate differentials among foreign subsidiaries	813
Limitation of deferred tax	1,369
Permanent differences and other factors	(1,993)
Losses generated during the year	268
Losses appropriated during the period	(452)
EFFECTIVE TAX CHARGE	**1,611**

The net deferred tax assets not recognized in the accounts are estimated at $1 million.

Notes to the consolidated balance sheet

ASSETS

12. Intangible fixed assets

(€ thousands)	31.12.2004 Gross value	31.12.2004 Amortization	31.12.2004 Net value	31.12.2003 Net value	31.12.2002 Net value
Goodwill	**6,582**	**(4,172)**	**2,410**	**2,649**	**3,871**
Other intangible assets					
Clientele	296	(83)	213	222	232
Other (software, initial expenses)	618	(554)	64	91	159
Subtotal	**914**	**(637)**	**277**	**313**	**391**
TOTAL	**7,496**	**(4,809)**	**2,687**	**2,962**	**4,262**

Goodwill represented 5.2% of the shareholders' equity of the consolidated Group as at 31 December 2004.

In 2003, the fall in goodwill was principally caused by an exceptional writedown.

12.1. Change in goodwill – gross values

(€ thousands)	01.01.2004	Increase	Decrease	Translation difference	31.12.2004
River barges					
Eurobulk Transport Maatschapij BV	667				667
CS de Jonge BV	121				121
Interfeeder-Ducotra BV	4,287				4,287
Touax Rom SA	5				5
Touax Leasing Corporation	208			(15)	193
Modular buildings					**0**
Siko Containerhandel GmbH	429				429
Masten THG Leasing Corp Workspace + DBA	950			(70)	880
TOTAL	**6,667**	**0**	**0**	**(85)**	**6,582**

12.2. Change in goodwill amortization

(€ thousands)	01.01.2004	Increase	Decrease	Translation difference	31.12.2004
River barges					
Eurobulk Transport Maatschapij BV	447	36			483
CS de Jonge BV	30	6			36
Interfeeder-Ducotra BV	2,319	136			2,455
Touax Rom SA	1				1
Touax Leasing Corporation	145	21		(12)	154
Modular buildings					**0**
Siko Containerhandel GmbH	141	22			163
Marsten THG Leasing Corp Workspace + DBA	935	15		(70)	880
TOTAL	**4,018**	**236**	**0**	**(82)**	**4,172**

	Acquisition	Amortization period	Accumulated amortization
River barges			
Eurobulk Transport Maatschapij BV	1990	20 ans	72.3 %
CS de Jonge BV	1999 & 2001	20 ans	29.7 %
Interfeeder-Ducotra BV	1996 & 1998	20 ans	57.3 %
Touax Rom SA	1999	20 ans	30.0 %
Touax Leasing Corporation	1996	10 ans	80.0 %
Modular buildings			
Siko Containerhandel GmbH	1997	20 ans	38.1 %
Marsten THG Leasing Corp Workspace + DBA	1989	15 ans	100.0 %

13. Tangible fixed assets

13.1. Breakdown by type

(€ thousands)	31.12.2004 Gross value	31.12.2004 Depreciation	31.12.2004 intragroup capital gains	31.12.2004 Net value	31.12.2003 Net value	31.12.2002 Net value
Land	421		(188)	233	250	605
Land under lease	1,979			1,979	1,979	1,979
Buildings	1,950	(673)	(1)	1,276	1,369	1,521
Equipment	63,664	(24,543)	(1,037)	38,084	37,561	54,673
Equipment under lease	38,849	(6,399)		32,450	43,717	46,091
Other tangible fixed assets	4,017	(3,059)		958	826	966
Advances & payments on account	1,092			1,092	1,278	267
TOTAL	**111,972**	**(34,674)**	**(1,226)**	**76,072**	**86,980**	**106,102**

13.2. Breakdown of gross fixed assets by activity

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Shipping containers	16,429	18,241	23,223
Modular buildings	51,885	62,813	68,828
River barges	32,528	33,712	32,829
Railcars	9,460	9,743	15,505
Miscellaneous	1,670	1,670	1,982
TOTAL	**111,972**	**126,179**	**142,367**

13.3. Breakdown of net fixed assets by activity

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Shipping containers	10,540	11,267	15,217
Modular buildings	39,544	49,149	56,965
River barges	21,318	22,481	23,462
Railcars	3,978	3,325	9,235
Miscellaneous	692	758	1,223
TOTAL	**76,072**	**86,980**	**106,102**

13.4. Changes in gross fixed assets by type

(€ thousands)	01.01.2004	Acquisitions	Disposals	Translation difference	Miscellaneous	31.12.2004
Land	438			(18)		420
Land under lease	1,979					1,979
Buildings	1,940	20		(11)		1,949
Equipment	65,180	20,023	(20,440)	(463)	(634)	63,666
Equipment under lease	51,393	867	(12,632)	(780)		38,848
Other tangible fixed assets	3,971	490	(359)	(74)	(10)	4,018
Advances & payments on account	1,278	(254)			68	1,092
TOTAL	**126,179**	**21,146**	**(33,431)**	**(1,346)**	**(576)**	**111,972**

Disposals of equipment consisted principally of equipment sold to investors under management programs. TOUAX continues to manage these units on investors behalf.

Notes to the consolidated balance sheet

14. Financial fixed assets

(€ thousands)	31.12.2004 Gross value	Depreciation	Net value	31.12.2003 Net value	31.12.2002 Net value
14.1 Participating interests	644	(535)	109	111	127
14.2 Loans and other financial fixed assets	11,144	(696)	10,448	11,960	13,894
TOTAL	**11,788**	**(1,231)**	**10,557**	**12,071**	**14,021**

14.1. Participating interests

The participating interests include the Group's investments in trust TCLRT95 contributed by the subsidiary TOUAX Finance Inc. in an amount of €448,000 ($665,000). Since 2001, this participation has been written off in full. The assets owned by the trust TCLRT 95 were sold in December 2004. Trust TCLRT95 nevertheless continues to exist under law.

The financial writedowns record the deferred income corresponding to the part of the capital gain on the disposal of equipment to the Trust which had been paid to the deposit account of trust TCLRT95 ($515,000). These deferred amounts were previously recorded on the balance sheet under liabilities. They have been reclassified as a deduction from the collateral deposit of the Trust.

14.2. Loans and other financial fixed assets

(€ thousands)	01. 01. 2004	Increase	Decrease	Translation difference	31.12.2004
Shipping containers	8,209	18	(676)	(521)	7,030
Modular buildings	3,233	32	(4)	(1)	3,260
River barges	120			(8)	112
Railcars	48	49			97
Miscellaneous	641	5	(1)		645
TOTAL	**12,251**	**104**	**(681)**	**(530)**	**11,144**

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

Modular buildings: the financial fixed assets consist of deposits and advances granted to GIE Modul Finance I for €3,188 million (cf. note 22.5).

River barges: the financial fixed assets include a collateral deposit of €109,000 ($148,000) related to a long- term operational lease contract for 50 barges.

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

15. Stocks

Stocks include equipment for sale and spare parts:

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Shipping containers	8,589	2,857	62
Modular buildings	1,200	1,293	1,363
River barges	68	35	42
Railcars	3,176	227	144
TOTAL	**13,033**	**4,412**	**1,611**

16. Breakdown of trade debtors by activity

(€ thousands)	31.12.2004 Gross value	Provision	Net value	31.12.2003 Gross value	Provision	Net value	31.12.2002 Gross value	Provision	Net value
Shipping containers	14,371	(1,936)	12,435	10,458	(3,279)	7,179	13,517	(3,327)	10,190
Modular buildings	8,714	(573)	8,141	8,820	(414)	8,406	11,067	(831)	10,236
River barges	6,411	(566)	5,845	5,689	(516)	5,173	6,161	(818)	5,343
Railcars	1,666		1,666	445		445	540		540
Miscellaneous	7		7	27		27	74	(17)	57
TOTAL	**31,169**	**(3,075)**	**28,094**	**25,439**	**(4,209)**	**21,230**	**31,359**	**(4,993)**	**26,366**

17. Other receivables

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Non-trade receivables	12,027	7,382	6,561
Sundry receivables	3,107	2,612	5,122
Subtotal - operating receivables	**15,134**	**9,994**	**11,683**
Prepaid expenses	1,268	1,033	1,296
Deferred charges	2,872	1,937	2,601
Unrealized foreign exchange losses	235		
Deferred tax asset	2,085	3,562	1,090
TOTAL	**21,594**	**16,526**	**16,670**

The non-trade receivables include mainly:
- amounts due from the government, mainly value added tax,
- deferred commission from GIE Modul Finance I (€1.1 million),
- and a price adjustment on prior sales.

The deferred charges are made up as follows:
- Shipping containers: €1,363,000 formation expenses for Trust 2001 spread over 10 years (life of the trust).
- Modular buildings: €1,509,000, including €53,000 of business acquisition costs spread over five years, €76,000 of preparation costs for a number of modular structures spread over the estimated length of the leasing contracts (3 years) and €1,380,000 in upgrade costs for equipment managed on behalf of third parties spread over the length of the contract between ourselves and the investor (7 years).

Deferred tax assets and liabilities are offset for each fiscal entity. They are made up as follows:

(€ thousands)	Deferred tax assets	Deferred tax liabilities	Assets (cf. Note 16)	Liabilities (cf. Note 21)
TOUAX Corp. Group	11,714	(9,637)	2,077	
South America	34	(44)		(11)
Europe	3,366	(4,076)	8	(718)
TOTAL	**15,114**	**(13,757)**	**2,085**	**(729)**

The deferred tax assets recorded in the United States in respect of tax losses available for carry forward comprise €9,637,000 of deferred tax liabilities and €2,077,000 in respect of future tax deductions in accordance with accounting principles generally accepted in France.

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

(€ thousands)	2004
Timing differences	(12,098)
Tax losses carried forward	13,454
TOTAL	**1,356**

Notes to the consolidated balance sheet

LIABILITIES

18. Shareholders' equity of the Group

As at 31 December 2004 the group's share capital consisted of 2,838,127 shares of a par value of €8.

Change in Group shareholders' equity	Number of shares	Capital	Consolidated premiums & reserves	Income	Total Group share
Situation as at 31 December 2001	**2,838,127**	**22,705**	**31,814**	**2,923**	**57,442**
Net income for the year				2,515	2,515
Previous net income			2,923	(2,923)	0
Dividends paid during the year			(2,205)		(2,205)
Translation difference			(6,008)		(6,008)
Change in Group structure			(415)		(415)
Miscellaneous			(11)		(11)
Situation as at 31 December 2002	**2,838,127**	**22,705**	**26,098**	**2,515**	**51,318**
Net income for the year				2,569	2,569
Previous net income			2,515	(2,515)	0
Dividends paid during the year			(1,703)		(1,703)
Translation difference			(5,983)		(5,983)
Change in Group structure			(156)		(156)
Miscellaneous			(11)		(11)
Situation as at 31 December 2003	**2,838,127**	**22,705**	**20,760**	**2,569**	**46,034**
Net income for the year				3,217	3,217
Previous net income			2,569	(2,569)	0
Dividends paid during the year			(1,710)		(1,710)
Translation difference			(947)		(947)
Change in Group structure			(76)		(76)
Miscellaneous			(221)		(221)
Situation as at 31 December 2004	**2,838,127**	**22,705**	**20,375**	**3,217**	**46,297**

The change in the translation difference in 2004 is explained by the effect of currency:
- on the net opening position in an amount of €818,000, including €1,294,000 from the fall in the value of the dollar (TOUAX Corp. group),
- on the translation of the income for the year (difference between the average rate and the closing rate) in an amount of €129,000, including €139,000 from the fall in the value of the dollar (TOUAX Corp. group).

The change in the consolidated group is explained mainly by the purchase of shares in the company INTERFEEDER DUCOTRA BV, increasing the Group's stake to 77.14% compared to 69.24% in 2003.

The miscellaneous item is the result of deduction at source applied to the dividend of a foreign subsidiary.

19. Provisions for liabilities and charges

(€ thousands)	01.01.2004	Dotation	Reprise	31.12.2004
Provisions pour risques	228	385	(8)	605
Provisions pour charges	148	1	(32)	117
TOTAL	**376**	**386**	**(40)**	**722**

The provisions for liabilities cover the following elements:

- Risk of irrecoverability of the advance payment made to a Romanian shipbuilder for the construction of the TAF 808 barge: provision created in 1998 and 1999. As at 31 December 2004 the provision stands at €144,000,
- Risk relating to labor disputes of €111,000, of which €26,000 was created in 2004.
- Exchange risk on deposits in dollars given as collateral for trusts by Touax SA in an amount of €234,000.
- Fiscal risk of €115,000 as a result of a tax audit carried out on an investor and as laid down by our contract with that investor.

The provisions for charges as at 31 December 2004 consist of:

– €40,000 corresponding to a provision for overhauling barges under management in the Netherlands.

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

20. Financial debts

20.1. Analysis by debt category

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Medium-term borrowings	18,132	21,732	11,180
Lease commitments (principal)	24,701	33,435	37,608
Total medium-term debt	**42,833**	**55,167**	**48,788**
Revolving credit without recourse	2,265		
Annual revolving credit	24,551	19,751	27,896
Bank current accounts and similar accounts	3,013	4,849	5,129
Total revolving credit and overdrafts	**29,829**	**24,600**	**33,025**
TOTAL	**72,662**	**79,767**	**81,813**

Revolving credit without recourse consists of short-term bank credit lines for which recourse is only possible against the subsidiaries of the group which contracted them. No recourse is possible against the parent company TOUAX SA.

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

(€ thousands)	Medium-term bank borrowings	Lease commitments	Total as at 31.12.2004
2005	8,572	5,943	14,515
2006	2,079	5,198	7,277
2007	2,033	3,588	5,621
2008	2,005	3,386	5,391
2009	1,390	2,579	3,969
Over 5 years	2,053	4,007	6,060
TOTAL	**18,132**	**24,701**	**42,833**

Covenants have been introduced for certain medium-term bank loans. These enable the lenders to demand early **repayment** if they are breached. In order to comply with these covenants, the borrower must comply with ratios such as shareholders' equity divided by the balance sheet total and consolidated net debt divided by consolidated net worth. As at 31 December 2004, all such clauses were complied with.

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

(€ thousands)	Medium-term bank borrowings	Lease liabilities	Total as at 31.12.2004
In US dollars	202	4,414	4,616
In Euros	17,930	20,287	38,217
TOTAL	**18,132**	**24,701**	**42,833**

Notes to the consolidated balance sheet

20.4. Changes in debt

20.4.1. Consolidated net financial debt

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Financial debt	72,662	79,767	81,813
Short-term investments	(1,085)	(111)	(11
Cash and cash equivalents	(31,100)	(27,414)	(17,296)
Net financial debt	**40,477**	**52,242**	**64,402**

In 2004, the average net financial debt was €58,471,000, against €64,253,000 in 2003.

20.4.2. Net debt

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Consolidated net financial debt	40,477	52,242	64,402
Operating liabilities	57,974	42,304	49,764
Stock and operating receivables	(56,261)	(35,556)	(39,660)
Net debt	**42,190**	**58,990**	**74,506**

20.5. Information on interest rates

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Fixed rate debt	18,275	22,319	21,870
Variable rate debt	54,387	57,448	59,943
Financial debts	**72,662**	**79,767**	**81,813**
Average annual interest rate - fixed	6.3%	6.4%	6.7%
Average annual interest rate - variable	3.6%	3.4%	3.8%
Average overall annual interest rate	4.3%	4.2%	4.6%

21. Breakdown of trade creditors by activity

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Shipping containers	20,842	16,119	7,558
Modular buildings	7,146	5,563	5,462
River barges	3,601	3,881	3,568
Railcars	3,543	1,023	385
Miscellaneous	644	641	773
TOTAL	**35,776**	**27,227**	**17,746**

22. Other debts

(€ thousands)	31.12.2004	31.12.2003	31.12.2002
Debts in respect of fixed assets	730	250	10,329
Tax and social security	6,704	3,369	3,808
Other operating liabilities	14,555	11,458	13,752
Other debts	209		4,130
Subtotal of operating liabilities	**22,198**	**15,077**	**32,019**
Deferred income	5,652	1,677	1,808
Deferred tax liabilities	729	743	545
TOTAL	**28,579**	**17,497**	**34,372**

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

In 2004, changes in fiscal and social security debt consisted principally of December VAT (€3,007,000).

Other operating debt consists principally of operating revenues to be distributed to investors in an amount of €11.4 million compared to €7.8 million in 2003, as well as containers to be replaced in an amount of €903,000, compared to €1,050,000 in 2003.

The increase in deferred income results from billing in respect of the sale of containers being delivered in 2005.

23. Other information

23.1. Income statement by activity

((€ thousands)	Shipping containers	Modular buildings	River barges	Railcars	Miscellaneous	Over heads	Total
Lease revenues	45,207	31,150	27,363	4,560	116		108,396
Sales of equipment	57,587	5,953		6,687			70,227
Commissions	52			37			89
Managed equipment program distributions	20		1,756	95			1,871
Total operating revenues	**102,866**	**37,103**	**29,119**	**11,379**	**116**	**0**	**180,583**
Cost of sales	(54,010)	(5,176)		(5,949)			(65,135)
Operating expenses	(7,304)	(21,383)	(23,256)	(3,139)	(50)		(55,132)
Selling, general and administrative expenses	(3,906)	(3,339)	(2,482)	(587)			(10,314)
Overheads						(3,060)	(3,060)
Capital gains on disposals	(606)	2,536	370	2,247			4,547
EBITDA	**37,040**	**9,741**	**3,751**	**3,951**	**66**	**(3,060)**	**51,489**
Depreciation and amortization	(535)	(3,956)	(1,486)	(158)	(53)	(49)	(6,237)
Operating income	**36,505**	**5,785**	**2,265**	**3,793**	**13**	**(3,109)**	**45,252**
Revenues due to investors	(31,314)	(4,027)	(746)	(775)			(36,862)
Operating income after distribution	**5,191**	**1,758**	**1,519**	**3,018**	**13**	**(3,109)**	**8,390**

23.2. Liabilities and risks

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

Pension commitments

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

An estimate made in accordance with the preferential method reveals a discounted pension liability of €152,000. It should be noted that the estimated liability only covers the personnel of the French companies. The other Group companies do not have any significant liability; either these subsidiaries effect insurances for departing personnel, or the number of employees is insignificant, or the legislation does not provide for any benefits.

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

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

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

(€ thousands)	Total	< 1 yr	1 to 5 yrs	> 5 yrs
Operating leases with recourse	5,566	1,044	4,174	348
Operating leases without recourse against the Group	27,954	4,470	15,920	7,564
TOTAL	**33,520**	**5,514**	**20,094**	**7,912**

Notes to the consolidated balance sheet

Other liabilities

(€ thousands)	Total	< 1 yr	1 to 5 yrs	> 5 yrs
Letters of credit	382			382
Guarantees	7,786			7,786
Other commercial liabilities	8,546	8,546		
TOTAL	**16,714**	**8,546**	**0**	**8,168**

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

23.2.1. Firm orders for equipment

As at 31 December 2004, TOUAX SA and its subsidiaries were committed to firm orders for equipment and other investments for a total amount of €8,546,000. Financing is assured by available lines of credit.

23.2.2. Non-capitalized lease contracts

Future lease sums to be paid in respect of irrevocable operating lease contracts as at 31 December 2004 are detailed in the following paragraphs.

Operating lease contracts with recourse

(€ thousands)	River Barges	Total as at 31.12.2004	Residual value
2005	1,044	1,044	
2006	1,043	1,043	
2007	1,044	1,044	
2008	1,043	1,043	
2009	1,044	1,044	
After 2009	348	348	1,013
TOTAL	**5,566**	**5,566**	**1,013**
Amounts taken as charges in the year	**1,043**	**1,043**	

Operating lease contracts without recourse against the Group

(€ thousands)	Shipping containers	Modular buildings	Railcars	Total as at 31.12.2004	Residual value
2005	3,136	47	1,287	4,470	
2006	3,137	9	1,287	4,433	3
2007	3,136		1,287	4,423	
2008	3,137		1,287	4,424	
2009	1,353		1,287	2,640	
After 2009	3,595		3,969	7,564	1,228
TOTAL	**17,494**	**56**	**10,404**	**27,954**	**1,231**
Amounts taken as charges in the year	**2,884**	**43**	**1,287**	**4,214**	

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

23.2.3. Exceptional events and disputes

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

23.2.4. Hedging of interest rate and foreign exchange risks

TOUAX SA and its subsidiaries did not use financial instruments to hedge foreign exchange or interest rate risks in 2004. The Group considers that exchange rate risks linked to its operating activities are low. The operating activities are organized in such a way that assets and liabilities, revenue and expenses of a given activity are denominated in the same currency. The euro loan which finances dollar assets and which had been hedged by options in 2003 constitutes a capital reserve due which makes the impact of exchange rate variations insignificant at Group level.

The interest rate hedging products put in place in 2003 continued to have an effect in 2004. Taking into account these hedges, fixed-rate debt amounts to 38% of total debt and variable rate debt 62%. This breakdown could be amended by a decision by the Group management, should financial events justify such a decision.

The off-balance sheet financial instruments had the following characteristics as at 31 December 2004:

(€ thousands)	Nominal amount	Interest rates		Maturity date	
		minimum	maximum	minimum	maximum
Rate swaps – borrower fixed rate / lender variable rate	9,526	3.15 %	3.85 %	1/04/08	28/12/10

FINANCIAL DEBTS – INTEREST RATE RISK

(€ thousands)	As at 31 December 2004	
	Amount before hedging operations	Amount after hedging operations
Euro – fixed rate	16,012	23,200
Euro – variable rate	48,471	41,283
Dollar – fixed rate	2,263	4,601
Dollar – variable rate	5,916	3,578
Total – fixed rate	**18,275**	**27,802**
Total – variable rate	**54,387**	**44,860**
TOTAL	**72,662**	**72,662**

23.2.5. Collateral provided

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

(€ thousands)	2004					2003
	Year of origin	Maturity	Secured assets	Total of balance sheet item	%	
Mortgages (river barges)			12,567	32,528	38.63 %	14,599
	1997	2008	1,408			
	1998	2003	1,622			
	1999	2009	2,313			
	2002	2009	1,197			
	2002	2012	1,059			
	2003	2008	635			
	2003	2013	4,333			
Real estate mortgages	**1996**	**2004**	**685**	**4,161**	**16.5 %**	**876**
Pledging of tangible assets			**6,013**	**73,538**	**8.2 %**	**5,156**
Modular buildings			**3,236**			
	1999	2006	356			
	2001	2007	2,880			
Shipping containers	2004	2012	1,365			
	2004	2006	1,412			
Pledging of financial assets (deposits given as security)			**8,166**	**11,144**	**73.3 %**	**9,852**
Modular buildings	1997	2010	1,930			
Shipping containers	1998	2009	3,652			
	2001	2012	2,584			
TOTAL			**27,431**	**121,371**	**22.6 %**	**30,483**

Notes to the consolidated balance sheet

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

23.2.6. Guarantees

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

23.3. Additional information relating to financial leasing (capitalized)

(€ thousands)	Land	Lease equipment	Total as at 31.12.2004
ORIGINAL VALUE	1,979	38,848	40,827
Depreciation and amortization for the year		1,943	1,943
ACCUMULATED DEPRECIATION & AMORTIZATION		6,399	6,399

(€ thousands)	Charges remaining payable			
	Land	Lease equipment	Total as at 31.12.2004	Residual value
2005	263	6,169	6,432	622
2006	263	5,507	5,770	328
2007	87	4,140	4,227	112
2008	87	3,613	3,700	87
2009	87	2,144	2,231	85
Over 5 years	87	3,520	3,607	801
TOTAL	**874**	**25,093**	**25,967**	**2,035**
AMOUNT CHARGED DURING THE YEAR (depreciation and amortization & financial expenses)	**74**	**3,635**	**3,709**	

23.4. Staff numbers by activity

	31.12.2004	31.12.2003	31.12.2002
Shipping containers			
– International (France, US, Asia)	18	19	22
Modular buildings			
– France	73	74	78
– Germany	24	21	28
– United States	32	32	22
– Benelux	16	15	11
– Spain	10	6	10
– Poland	9	10	9
River barges			
– France	1	1	1
– Romania	84	60	67
– Netherlands	13	15	27
Railcars			
– France, Ireland and Romania	5	3	3
General management and central services	**23**	**23**	**21**
TOTAL	**308**	**279**	**299**

The company does not publish a social report.

Policy on personnel profit sharing

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

23.5. Additional information on GIE Modul Finance I

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

The investment in GIE Modul Finance I was financed as follows:

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

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

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

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

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

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

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

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

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

SENIOR AND JUNIOR DEBT REPAYMENT SCHEDULES (€ THOUSANDS)

Dates	Annual redemption of the principal of the SENIOR DEBT	Annual redemption of the principal of the JUNIOR DEBT
2005	1,782	561
2006	1,897	602
2007	2,020	647
2008	2,151	695
2009	2,290	746
2010		802

With effect from 1 January 2008 until the expiration of the contract on 31 December 2012, the Group will sell the modules on a best effort basis on the secondhand market in accordance with agreements in place with GIE Modul Finance I.

The proceeds from the sale of equipment will be used to:

– pay the residual value of the senior debt as at 31 December 2009: €9.023 million.

– pay the residual value of the junior debt as at 31 December 2010: €2.286 million.

– pay holders of redeemable subordinated securities, in the final year of the contract, a cash flow in addition to the payments received since 31 March 2001, up to a maximum annual actuarial yield of 10%. The surplus income from the disposal of the modular buildings will then be divided between the Group and the arrangers of the renegotiated debt in a proportion of 95% for the Group and 5% for the arrangers.

Notes to the consolidated balance sheet

GIE Modul Finance I is authorized to terminate the management contract early in the event of failure to pay in full or in part an installment of the senior and junior debt repayment schedule due to inadequate distributable net rental income.

Should GIE Modul Finance I default, the lenders may decide to sell the equipment or change operators.

To avoid default on the part of GIE, the Group has the right, but not the obligation, to advance to it the amounts required to cover the senior debt repayment schedule. These advances shall be repaid to the Group from the surplus resulting from the difference between Distributable Net Leasing Income and the repayments of the senior and junior debt over the following quarters, as a priority once the Distributable Net Leasing Income again exceeds the senior and junior debt repayment schedule.

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

IN THE CONSOLIDATED INCOME STATEMENT (€thousands)	31.12.2004	31.12.2003	31.12.2002
Lease revenues of equipment belonging to the GIE	6,094	7,158	8,489
In consolidated revenues	**6,094**	**7,158**	**8,489**
Operating expenses on equipment belonging to the GIE	(2,438)	(2,863)	(3,396)
In purchases and other consoplidated external expenses	**(2,438)**	**(2,863)**	**(3,396)**
Net lease revenues due to the GIE	(2,417)	(2,852)	(3,367)
In lease revenues due to consolidated investors	**(2,417)**	**(2,852)**	**(3,367)**
In consolidated OPERATING INCOME	**1,239**	**1,443**	**1,726**
In consolidated pretax INCOME	**1,239**	**1,443**	**1,726**

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

IN THE CONSOLIDATED BALANCE SHEET (€thousands)	31.12.2004	31.12.2003	31.12.2002
Collateral deposit	1,931	2,507	2,656
Loan to the GIE	1,257	662	477
In consolidated financial fixed assets	**3,188**	**3,169**	**3,133**
Deferred payment	1,116	915	597
In consolidated operating receivables	**1,116**	**915**	**597**
In consolidated ASSETS	**4,304**	**4,084**	**3,730**
Net lease revenues due to the GIE (4th quarter)	610	670	820
In consolidated operating liabilities	**610**	**670**	**820**
IN CONSOLIDATED LIABILITIES	**610**	**670**	**820**

23.6. 6 Additional information on Trust TCLRT 95

TOUAX Container Lease Receivables Trust 95 is the first asset-backed securitization program carried out by the Group to develop the operational leasing of shipping containers. The Trust is a legal entity subject to Anglo-Saxon law and was created specifically to own containers. The Trust purchases containers from the Group and then entrusts their management to Touax/Gold Container Corp., under a management contract valid for 12 years. The Trust financed the purchase of these containers ($37.2m representing 11,154 TEU on 1 April 2004) by the issue of certificates ($6.7 million of equity, including $0.665 million provided by the Group) and by contracting a senior loan with a US pension fund of $32.4 million, redeemable over a maxi- mum period of 12 years and remunerated at a fixed rate of 9.125%. Consequently, the containers belong to the Trust, as does the corresponding debt. The Group's operation of these containers generates a quarterly "distributable net income" paid to the Trust, which uses this amount principally to service its debt. Should the Trust fail to meet the repayment schedule for the debt, it shall be in default and may decide to sell the containers or change operator. The Group has no obligation either to buy back the equipment or to repay the debt.

The Trust 95 fleet has been sold to another investor with a consequent ceasing of revenue as of 1 April 2004. A termination agreement was signed terminating the management contract between Touax SA and the Trust at the end of December 2004. The new owner has entrusted the management of the Trust 95 containers to the TOUAX Group via its Gold Container Corp. subsidiary. Although the Trust's activities have ceased, the Trust continues to exist in law. The sale of the Trust's assets has consequently had no negative effect on the Group, taking into account existing provisions.

The Group exercises no control over the trust within the meaning of CRC regulation 99-02 and Law no. 2003-706 of 1 August 2003 on financial security; it is not therefore included in the scope of consolidation.

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

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2004	31.12.2003	31.12.2002
Lease revenues of equipment belonging to the Trust	467	3,863	3,695
In consolidated revenues	**467**	**3,863**	**3,695**
Operating expenses on equipment belonging to the Trust (1)	(89)	(721)	(1,270)
In purchases and other consolidated external expenses	**(89)**	**(721)**	**(1,270)**
Distributions to the Trust (2)	(346)	(2,979)	(2,131)
In consolidated lease revenues due to investors	**(346)**	**(2,979)**	**(2,131)**
In consolidated OPERATING INCOME	**32**	**163**	**294**
In consolidated financial expenses	0	0	0
In the consolidated FINANCIAL RESULT	**0**	**0**	**0**
In consolidated pretax INCOME	**32**	**163**	**294**

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2004	31.12.2003	31.12.2002
Holding in Trust 9.87% (3)	0	0	0
Collateral deposit (4)	0	594	715
Consolidated advance on payment (5)	0	408	492
In consolidated financial fixed assets	**0**	**1,002**	**1,207**
Other operating receivables	4	4	0
In consolidated ASSETS	**4**	**1,006**	**1,207**
Lease revenues due to the Trust (6)	0	324	532
Revenues from total loss due to the Trust (7)	0	94	126
Revenues from sales of containers due to the Trust (7)	0	8	68
Other debts (5)	(9)	418	504
In consolidated operating liabilities	**(9)**	**844**	**1,230**
In consolidated LIABILITIES	**(9)**	**844**	**1,230**

(1) Operating expenses include storage, maintenance and repair expenses, remuneration paid to the network of agents and generally all the operating expenses contractually offset against net revenues due to the Trust.
(2) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to €32,000 in 2004.
(3) The Group's participation in Trust 95 is 9.87%. This investment was fully provisioned at 31 December 2000 in an amount of €488,000 ($665,000). It will not be repaid when Trust 95 is legally wound up.
(4) The Group deposited the sum of $750,000 with a French bank as a counter-guarantee in respect of the guarantee granted by the bank to cover the risk of failure to transfer the revenues received by the Group on behalf of the Trust, which would not be distributed each quarter to investors should the Group default. Following the sale of the assets of Trust 95, this deposit has been returned in the first quarter of 2005.
(5) Quarterly revenues are paid to the Trust 105 days after the end of the period. To cover this time lag, the Group has granted a permanent advance of $516,000. The principal of this advance has been entered as a provision in the accounts of Gold Container Corp. This advance will not be repaid when Trust 95 is legally wound up.
(6) Lease revenues correspond to net revenues due to the Trust on 31 December of each year. With effect from the first quarter of 2002, the Group has paid to the Trust monthly installments against future distributions. This explains the decrease in net revenues due since 2002. Following the closure of Trust 95, no revenue has been paid to it since 1 April 2004.
(7) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received. As at 31 December 2004, all revenues deriving from the sale of Trust equipment had been paid to it.

Notes to the consolidated balance sheet

23.7. Additional information on Trust TCLRT 98

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

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

As at 31 December 2004, the Trust's fleet comprised 14,525 containers (7,369 20' Dry Cargo, 5,487 40' Dry Cargo and 1,669 40' High Cube) representing an investment of $36.9 million, corresponding to 19,260 TEU by value.

In addition to the $5.54 million advanced by the Group, the Trust's balance sheet as at 31 December 2004 include senior debt (notes) of $26.2 million with a fixed interest rate of 5.94%, excluding insurance and a subordinated debt (certificates) amounting to $5.8 million, bearing interest at 8.03%. The total amount is repayable over five years (possible extension of two years) by means of net revenues distributed by the Group to the Trust according to the conditions set out in the Master Lease Agreement and the Sales and Servicing Agreement. The Trust has also effected an insurance policy (Insurance and Reimbursement Agreement) to guarantee the payment of interest and principal payable on the senior debt by the Trust to its investors (the "note holders").

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

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

REPAYMENT SCHEDULE FOR THE TRUST'S SENIOR DEBT:

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

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

REPAYMENT SCHEDULE FOR THE TRUST'S SUBORDINATED DEBT:

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

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

The lease of Trust containers by Gold Container has the following impact on the Group accounts (in thousands of euros):

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2004	31.12.2003	31.12.2002
Revenues from lease of equipment belonging to the Trust	3,912	4,378	5,937
Trust start-up commission (1)	0	0	0
In consolidated revenues	**3,912**	**4,378**	**5,937**
Operating expenses on equipment belonging to the Trust (2)	(612)	(1,169)	(2,072)
Trust formation expenses (3)	0	0	0
In purchases and other consolidated external expenses	**(612)**	**(1,169)**	**(2,072)**
Distributions made to the Trust (4)	(2,967)	(2,844)	(3,440)
In consolidated lease revenues due to investors	**(2,967)**	**(2,844)**	**(3,440)**
In consolidated OPERATING INCOME	**333**	**365**	**425**
In consolidated pretax INCOME	**333**	**365**	**425**

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

IN THE CONSOLIDATED BALANCE SHEET (€ thousands)	31.12.2004	31.12.2003	31.12.2002
Collateral deposit (5)	3,670	3,932	4,740
Subordinated advance against distribution (6)	360	388	467
Advance for excess operating charges (7)	53	57	68
In consolidated financial fixed assets	**4,083**	**4,377**	**5,275**
Other operating receivables (8)	4	5	
In consolidated ASSETS	**4,087**	**4,382**	**5,275**
Lease revenues due to the Trust (9)	435	602	780
Revenues from total loss due to the Trust	48	261	96
Sales revenues from Trust's containers (10)	20	29	23
In consolidated operating liabilities	**503**	**892**	**899**
In consolidated LIABILITIES	**503**	**892**	**899**

(1) The start-up commission corresponds to a flat-rate fee that covers the marking, inspection and transportation of containers to their first rental location. The corresponding charge is recorded under operating expenses, general overheads and central services.
(2) Operating costs include storage, maintenance and repair expenses, remuneration paid to the network of agents and generally all operating expenses contractually offset against net revenues due to the Trust.
(3) The formation expenses cover remuneration of law firms, the network of brokers and others involved in setting up the operation.
(4) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Corp's service fee, which amounted to € 333,000 in 2004.
(5) The Group has issued a letter of credit in favor of the Trust in an amount of $1.2 million secured by a deposit lodged in a bank account. The investment income of these funds is earmarked for Gold Container Corp. The letter of credit in respect of the principal is due to be released when the Trust expires. Interest is payable quarterly. The group has also contributed a liquidity reserve to the Trust, in an amount of $3,766,000 made available in one of the Trust's bank accounts. This liquidity reserve enables the Trust to cover its payment obligations if distributable net income proves to be insufficient. This collateral must be reconstituted by the Trust when its available cash flow allows it to do so, after having met the payment dates provided for in the loan repayment schedule.
(6) An exceptional repayable advance of $490,000 was granted by the group to the Trust in June 2001.
(7) The Group has undertaken to maintain operating costs below a specified reference threshold. If this threshold is breached, the Group must pay the difference to the Trust. These advances become repayable when the Trust's available cash flow allows it after the payment dates in the debt repayment schedule have been respected. These advances amounted to $72,000 as at 31 December 2004.
(8) The other operating receivables relate to the payments of legal expenses on behalf of the Trust.
(9) Lease revenues correspond to the net revenues remaining payable to the Trust as at 31 December of each year. With effect from the first quarter of 2002, the Group is paying monthly down-payments to the Trust against future distributions. This explains the decrease in net revenues due at the end of 2002.
(10) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must repay to the latter as soon as it is received.

Notes to the consolidated balance sheet

23.8. Additional information on Trust TLR 2001

On 27 October 1999, the Group conducted a third asset backed securitization of shipping containers in the form of a trust registered in Delaware, USA, and named "Touax Lease Receivables Master Trust 2000-1", hereafter referred to as Trust 2000. For a period initially called "Warehouse period", running from 27 October 1999 to 31 December 2001, Trust 2000 was wholly financed by a European bank which subscribed to an issue of notes and certificates to finance the purchase of shipping containers for a total value of $46.5 million.

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

As at 31 December 2004, the Trust's fleet consisted of 20,093 containers (8,439 20' Dry Cargo, 5,578 40' Dry Cargo and 6,076 40' High Cube), representing an investment of $46.7 million and corresponding to 27,972 financial TEU, as well as 148 railcars with an original value of $8.9 million.

In addition to the $3.5 million advanced by the Group, Trust 2001 had senior debt (notes) of $33.2 million and equity of $19.2 million.

Trust 2001 and the Group have entered into lease contracts ("Railcar Master Lease" and "Container Master Lease") with a duration of 10 years, 8 months. The Group distributes to the Trust rental sums equivalent to distributable net revenues in accordance with the conditions laid down in the "Master Lease Agreement".

Through Leasco 2, the Group has purchased 1,733 containers ($4.2 million) which are leased for the account of the Trust and delivered to it as collateral (by way of a contract called "Leased Container Master Lease").

In certain circumstances linked to the amount of rental paid, the Trust may decide to sell the containers or change operator. The Group has a purchase option at the end of the term of the lease contracts but is not obliged to repurchase the equipment or repay the debt. The Group does not exercise control over the Trust within the meaning of regulation CRC 99-02 and law no. 2003-706 of 1 August 2003 on financial security; it does not therefore form part of the scope of consolidation.

The lease of the Trust's containers by Gold Container has the following impact on the Group's accounts (in thousands of euros):

IN THE CONSOLIDATED INCOME STATEMENT (€ thousands)	31.12.2004	31.12.2003	31.12.2002
Revenues from lease of equipment belonging to the Trust	5,721	6,399	7,693
Trust start-up commission (1)	0	0	0
In consolidated revenues	**5,721**	**6,399**	**7,693**
Operating expenses on equipment belonging to the Trust (2)	(634)	(941)	(1,601)
Purchases and other consolidated external expenses	**(634)**	**(941)**	**(1,601)**
Distributions made to the Trust (3)	(4,573)	(4,876)	(5,416)
Consolidated lease revenues due to investors	**(4,573)**	**(4,876)**	**(5,416)**
In consolidated OPERATING INCOME	**514**	**582**	**676**
In consolidated pretax INCOME	**514**	**582**	**676**

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

IN THE CONSOLIDATED BALANCE SHEET (in € thousands)	31.12.2004	31.12.2003	31.12.2002
Liquidity reserves (4)	2,614	2,819	3,389
Equity securities	0	0	0
Other Trust 2001 receivables (5)	0	0	0
In financial fixed assets	**2,614**	**2,819**	**3,389**
Other operating receivables (6)	4	4	0
In consolidated ASSETS	**2,618**	**2,823**	**3,389**
Lease revenues due to the Trust (7)	185	878	1,229
Revenues from total loss due to the Trust	43	37	90
Revenues from sales of containers (8)		31	47
Other Trust 2000 liabilities (5)		0	0
In consolidated operating liabilities	**228**	**946**	**1,366**
In consolidated LIABILITIES	**228**	**946**	**1,366**

(1) The commission corresponds to a flat-rate fee that covers the marking, inspection and transportation of containers to their first rental location. The corresponding charge is recorded under operating expenses, general overheads and central services.
(2) Operating costs include storage, maintenance and repair expenses, remuneration paid to the network of agents and generally all operating expenses contractually offset against net revenues due to the Trust.
(3) Distributions made to the Trust relate to net income generated by the operation of containers after deduction of Gold Container Corp's service fee, which amounted to € 514,000 in 2004.
(4) After the creation of Trust 2001, the collateral deposits set up on behalf of Trust 2000 were released in 2002. The collateral deposits set up for Trust 2001 total $3.56 million. This item also includes the letter of credit in an amount of $520,000 issued by TOUAX SA in favor of Trust 2001, secured by a deposit lodged in a bank account, repayable at the end of the Trust's life.
(5) After Trust 2001 was wound up, its receivables and liabilities with respect to Trust 2000 were settled in full in February 2002.
(6) The other operating receivables relate to the payments of legal expenses on behalf of the Trust.
(7) Lease revenues correspond to the net revenues remaining payable to the Trust as at 31 December of each year. With effect from the first quarter of 2002, the Group is paying monthly down payments to the Trust against future distributions. This explains the decrease in net revenues due at the end of 2002.
(8) Revenues from sales of containers correspond to the income from the sale of the Trust's containers, which the Group must re pay to the latter as soon as it is received.

23.9. Investment policy

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

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

The sale of assets to investors forms part of the Group's strategy and allows it to finance growth without recourse to debt. The Group's growth allows for economies of scale and thus improved margins.

The group does not use financing tools for current assets such as "Dailly" assignment, factoring, securitization or assignment of receivables.

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

Notes to the consolidated balance sheet

NET INVESTMENT DURING FINANCIAL YEARS

(€ thousands)	2004	2003	2002
Net intangible investments	28	53	72
Net tangible investments	(12,285)	(9,987)	(4,305)
Net financial investments	(576)	(216)	(10,561)
Total net investments	**(12,833)**	**(10,150)**	**(14,794)**

BREADOWN OF NET INVESTMENTS BY ACTIVITY

(€ thousands)	2004	2003	2002
Shipping containers	(530)	(1,170)	(9,954)
Modular buildings	(11,638)	(4,049)	491
River barges	(1,037)	1,408	(6,086)
Railcars	319	(6,009)	756
Miscellaneous	53	(330)	(1)
TOTAL	**(12,833)**	**(10,150)**	**(14,794)**

NET INVESTMENT FINANCING TERMS

(€ thousands)	2004	2003	2002
Cash/loans	2,314	3,600	(10,566)
Leasing	(250)	2,161	(4,228)
Management programs	(14,897)	(15,911)	
TOTAL	**(12,833)**	**(10,150)**	**(14,794)**

Current investments consist of firm commercial commitments detailed in the paragraph “commitments and risks” – other commitments”. These relate to the river barges business, to the sum of €392,000, modular buildings, to the sum of €1,724,000, and railcars, to the sum of €6,429,000.

23.10. Remuneration of company officers

Remuneration of the company officers: €587,700

Report of the auditors

Consolidated financial statements

For the period to 31 December 2004

In performing the duty entrusted to us by your Annual General Meeting, we have conducted an audit of the consolidated financial statements of TOUAX with regard to the financial year ending on 31 December 2004, as appended to the present report.

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

1. Opinion on the consolidated financial statements

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

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

2. Justification of our assessment

In accordance with the provisions of article L.225-235 of the Commercial Code relating to the justification of our assessment, we would draw your attention to the following:

The TOUAX group management carried out estimates and formulated assumptions relating principally to the valuation of fixed assets (goodwill, tangible fixed assets, amounts receivable from Trusts and GIE Modul 1) and deferred tax assets.

– With regard to the method of valuation of the main fixed assets described in § 1.2 of the notes to the consolidated financial statements, we have assessed the data and hypotheses on which the estimates are based, by way of a review of the calculations made by the company, and examined the approval procedures for these management estimates: we have also reviewed the adequacy of information given in notes 1.2, 8, 12 and 14 of the notes to the consolidated financial statements.

– With regard to deferred taxes, the composition of which is set out in § 1.2 of the notes to the consolidated accounts, we have assessed the information and the assumptions on which these management estimates are based, reviewing the calculations made by the company, in particular with regard to the recovery of these assets; we have also reviewed the adequacy of the information provided in notes 1.2, 11 and 17 of the notes to the consolidated financial statements.

On this basis we have assessed the reasonableness of the estimates made.

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

3. Specific verification

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

Paris and Neuilly-sur-Seine, 25 May 2005

The Statutory Auditors

DELOITTE & ASSOCIÉS
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIÉS
Paul NAÏM

General information on the company

Corporate name

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

Registered office and administrative head office

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

Identification

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

Legal form

Société anonyme (limited company)
with a board of directors

Date of incorporation and duration

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

Financial year

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

Share capital

The company's capital is composed of 2,838,127 shares of a par value of 8. The capital is fully paid up.
Governing legislation
Limited company governed by the Commercial Code, the Decree of 23 March 1967 and subsequent legislation on commercial companies.

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

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

Information policy

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

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

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

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

Parties responsible for financial information

TOUAX SA
Raphaël WALEWSKI
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ACTUS
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e-mail: nroffe@actus.fr

Stock specialist

AUREL LEVEN Securities - Washington Plaza - 29, rue de Berri - 75408 Paris CEDEX 08

Antoine JOLY
Tel: + 33 1 53 89 73 61

Provisions of the articles of association

Corporate purpose (article 3)

The purpose of the company in all countries is notably:

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

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

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

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

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

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

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

– the acquisition and operation, construction and improvement by any means of all forms of land and buildings;

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

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

Provisions of the articles of association relating to the appropriation of income (article 49)

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

Directors (extract from article 18)

The directors' term of office is set at two years (article 17). Every board member must hold at least 100 registered shares. The directors have three months from the date of their appointment in which to comply with the provisions of the articles of association.

General Meetings

(extract from articles 30, 31 and 33)

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

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

All shareholders shall be entitled to attend and participate in the General Meetings, either in person or by proxy, irrespective of the number of shares held, subject to the conditions set out in the legislation in force. Holders of registered shares will receive a notice of meeting directly from the company.

Voting rights

(extract from article 33, final paragraph)

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

Identifiable bearer shares

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

Amendments to the articles of association

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

No amendment of articles of association took place in 2003 or 2004.

Ownership level

Shareholders are only required to disclose ownership above the legal limits.

Parent-subsidiary relationships

TOUAX is an operational holding company. TOUAX SA therefore records investments in its French and foreign subsidiaries and is itself active in the leasing and sale of shipping containers, modular buildings and river barges in France. There is no operational dependency between the companies of the Group. The main results of the subsidiaries are presented in the management report by geographical area. Each subsidiary owns its own assets for leasing and sale. TOUAX SA made no acquisitions in 2004 and has made no acquisition since the end of 2004.

An organigram of the Group appears in the section entitled "organigram of the Group", and a list of subsidiaries appears in the section entitled "Notes to the consolidated financial statements".

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

The cash flows between TOUAX SA and its subsidiaries are detailed in the special report of the auditors in the section entitled "Report of the Auditors".

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

LIST OF CURRENT INTRA-GROUP TRANSACTIONS CONCLUDED UNDER NORMAL CONDITIONS COVERED BY ARTICLE L.225-39 OF THE COMMERCIAL CODE:

Services supplied to	Insurance	IT	Equipment sales	Advances	Equipment leasing	Provision of personnel
EUROBULK TRANSPORT MAATSCHAPPIJ BV			x	x	x	
GOLD CONTAINER CORP		x		x		x
SIKO CONTAINERHANDEL GmbH				x	x	
SIKO POLSKA GmbH					x	
TOUAX BV				x		
TOUAX CAPITAL				x		
TOUAX CONTENEURS SERVICES SNC	x					
TOUAX CORP				x		
TOUAX ESPANA SA	x					
TOUAX MODULES SERVICES SAS	x					
TOUAX NV				x		
TOUAX ROM SA	x				x	
TOUAX RAIL Ltd	x			x		x
TOUAX SAAF SA				x		
INTERFEEDER-DUCOTRA				x		

Services received from	Advances	Equipment leasing	Télécoms	Business tax	Gasoil	Transports	Repairs	Travel expenses	Provision of personnel
EUROBULK TRANSPORT MAATSCHAPPIJ BV	x		x	x		x	x		
GOLD CONTAINER CORP		x				x			
SIKO CONTAINERHANDEL GmbH		x							
TOUAX BV		x		x		x	x		
TOUAX CAPITAL	x								
TOUAX CONTENEURS SERVICES SNC									x
TOUAX CORP	x								
TOUAX ESPANA SA	x								
TOUAX MODULES SERVICES SAS		x			x		x		x
TOUAX NV								x	
TOUAX ROM SA						x			
TOUAX RAIL Limited									
TOUAX SAAF SA		x							

Legal organigram of the group

TOUAX SA
Holding company and management and operational leasing company for river transportation and modular building equipment

Listed on the Second Marché of Euronext Paris in the Next Prime segment

TOUAX ESPAÑA SA
Leasing and sale of modular buildings
100% SPAIN

TOUAX MODULES SERVICES SAS
Service company for modular buildings
100% FRANCE

TOUAX CAPITAL SA
Investment and equipment management company
SWITZERLAND 100%

GOLD CONTAINER GmbH
Leasing of shipping containers
GERMANY 100%

TOUAX BV
Leasing and sale of modular buildings
100% NETHERLANDS

TOUAX CONTENEURS SERVICES SNC
Shipping container service company
FRANCE 100%

TOUAX NV
Leasing and sale of modular buildings
100% BELGIUM

EUROBULK TRANSPORT MAATSCHAPPIJ BV
River transportation
100% NETHERLANDS

ALMAFIN RAIL INVESTMENT Ltd
Railcar investment company
49% IRELAND

TOUAX RAIL Ltd
Leasing and sale of railcars
IRELAND 51%

TOUAX CORP.
Investment and equipment management company
USA 100%

INTERFEEDER-DUCOTRA BV
River transportation
77,14% NETHERLANDS

TOUAX RAIL ROMANIA SA
Leasing and sale of railcars
57,5% ROMANIA

MARSTEN/THG MODULAR LEASING Corp. WORKSPACE PLUS D/B/A
Leasing and sale of modular buildings
USA 100%

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

CS DE JONGE BV
River transportation 100%
NETHERLANDS

CFCL TOUAX Llc
Leasing and sale of railcars
51% USA

TOUAX LPG SA/IOV Ltd
River transportation
PARAGUAY 100%

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

EUROBULK BELGIUM BVBA
River transportation
97,93% BELGIUM

TOUAX RAIL FINANCE Ltd
Railcar investment company
73% USA

TOUAX LEASING Corp.
River transportation
USA 100%

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

49%
TOUAX ROM SA
River transportation
ROMANIA 51%

SIKO CONTAINERHANDEL Gmbh
Leasing and sale of modular buildings
100% GERMANY

GOLD CONTAINER FINANCE Llc
Shipping container investment company
USA 100%

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

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

PORTABLE STORAGE SERVICES Llc
Leasing and sale of storage containers
USA 51%

Corporate governance

Report of the chairman of the board of directors on the preparation and organization of the work of the board and the internal auditing procedures established by the company.

TOUAX SA – 2004 FINANCIAL YEAR

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

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

1. Corporate governance

The company is managed by the board of directors, co-chairmen, an executive committee and operational managements.

1.1. Joint chairmanship

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

In legal terms, the office of Chairman of the board of directors alternates annually by decision of the board of directors. In 1999, 2001, 2003 and 2005, the post was held by Fabrice WALEWSKI. In 1998, 2000, 2002 and 2004 it was held by Raphaël WALEWSKI.

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

Following the implementation of the New Economic Regulations (NRE) Act, the Chairman of the board of directors conducts the general management of the company and delegates his powers. In the 2005 financial year, Fabrice Walewski is the chairman and chief executive officer and Raphaël Walewski is the deputy chief executive officer. During 2004, Raphaël Walewski acted as chairman and chief executive officer and Fabrice Walewski as deputy chief executive officer.

1.2. The board of directors

1.2.1. Composition

The Board of Directors comprised 8 members on the date of the general meeting of shareholders of 28 June 2004.
At the end of the general meeting of 28 June 2004, a new member, Jérôme Bethbèze joined the board.

As at the date of the meeting of the board of directors held to approve the financial statements for the 2004 financial year, the board had nine members.

With the exception of Raphaël and Fabrice Walewski, the members of the board of directors do not form part of the workforce of the Group.

1.2.2. Operation

Six meetings of the Board of Directors were held during the 2004 financial year, during which the board exercised its functions in full. The attendance rate of the board of directors was 79%.

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

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

1.2.3. Remuneration of the board

The remuneration of the members of the Board of Directors amounted to €70,000 in respect of the 2004 financial year, in accordance with the attendance rate specified by the ordinary general meeting of 28 June 2004. In the 2003 financial year, the corresponding amount was €69,516.

The ordinary general meeting of 28 June 2005 will propose that the amount of remuneration remains at €70,000 for the 2005 financial year.

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

1.2.4. Incumbent directors

The board has two independent directors as defined by the Bouton Report, Mr Thomas Haythe and Mr Jérôme Bethbèze.

Raphaël WALEWSKI

Date of appointment:
- Director, 1994
- Chief Executive Officer, 1999, 2001, 2003 and 2004
- Chairman, 1998, 2000, 2002 and 2004
- Age: 38 years

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

Corporate governance

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Raphaël WALEWSKI holds 406,985 shares in TOUAX SA.

Fabrice WALEWSKI

Date of appointment:
Director, 1994
Chief Executive Officer, 1998, 2000, 2002 and 2005
Chairman, 1999, 2001, 2003 and 2005
Age: 36 years

Director of the following Group companies: ALMAFIN RAIL INVESTMENT Ltd, GOLD CONTAINER Corporation, MARSTEN/THG MODULAR LEASING Corporation WORKSPACE PLUS D/B/A, SIKO CONTAINERHANDEL GmbH, SIKO POLSKA Sp.z.o.o, TOUAX BV, TOUAX ESPANA SA, TOUAX CONTAINER LEASE RECEIVABLES Corporation, TOUAX Corporation, TOUAX EQUIPMENT LEASING Corporation, TOUAX FINANCE Inc., TOUAX LPG SA, TOUAX RAIL Ltd, TOUAX ROM SA, TOUAX SAAF SA. His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Fabrice WALEWSKI holds 410,526 shares in TOUAX SA.

Alexandre WALEWSKI

Date of appointment:
Director, 1977
Chairman & Chief Executive Officer from July 1977 to December 1997
Age: 71 years

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

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

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Alexandre WALEWSKI holds 415,485 shares in TOUAX SA.

Serge BEAUCAMPS

Date of appointment: director in 1986
Age: 81 years

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Serge BEAUCAMPS holds 2,684 shares in TOUAX SA.

Jean-Louis LECLERCQ

Date of appointment: director in 1986
Age: 73 years

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

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Jean-Louis LECLERCQ holds 120 shares in TOUAX SA.

Philippe REILLE

Date of appointment: Director, 1986
Age: 66 years

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Philippe REILLE holds 300 shares in TOUAX SA.

ALMAFIN (100 % subsidiary of the Belgian group KBC bank) represented by Hugo VANDERPOOTEN

Date of appointment: Director, 2000
Age: 49 years

Hugo VANDERPOOTEN is a director of the following Group companies: ALMAFIN RAIL INVESTMENT Ltd, TOUAX RAIL Ltd. He is chairman of the board of directors of the following companies: ALMA REINSURANCE SA and IMMOBILIERE DES OURS SAS.

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

ALMAFIN holds 175,999 shares in TOUAX SA.

Thomas M. HAYTHE

Date of appointment: director, 2001
Age: 65 years

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

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Thomas M. HAYTHE holds 120 shares in TOUAX SA.

Jérôme BETHBEZE

Date of appointment: director, 2004
Age: 43 years

Other posts held: Chairman of the Board of Quilvest Gestion Privée.

His term of office expires in 2004. His term of office will be renewed for two years at the next ordinary general meeting on 28 June 2005.

Jérôme Bethbèze holds 100 shares in TOUAX SA.

1.3. The executive committee

1.3.1. Composition

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

- Raphaël WALEWSKI,
  Co-Chairman (entry date June 1994)
- Fabrice WALEWSKI
  Co-Chairman (entry date June 1994)
- Stephen PONAK
  Financial Director (entry date January 1998)
- *Thierry SCHMIDT de La BRELIE*
  Administration and Accounting Director (entry date March 2005)

1.3.2. Operation

The committee meets on a regular basis, generally once a month, to supervise the management of the company and its subsidiaries.
Its main duties are to:
– develop commercial and financial strategies
– monitor and control the Group's activities
– make investment and divestment decisions
Fourteen meetings were held in 2004. All the committee members were present on each occasion.

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

1.3.3. Remuneration

The gross remuneration paid to the three members of the Executive Committee totaled 446,000 in 2004.

Stock options and equity warrants of the executive committee
Number of stock options granted to
the executive committee.......................................3,900
Number of equity warrants granted
to the executive committee 24,501

1.4. Remuneration Committee

A remuneration committee, made up of two members of the board of directors in 2004 (Alexandre WALEWSKI and Philippe REILLE), meets at least once a year to determine the remuneration of the chief executive officer and deputy chief executive officer. The recommendations of the remuneration committee are notified to the board of directors. This committee was formed in November 1997. The two members were appointed when the committee was formed.

Gross remuneration of the company officers in 2004
€588,000

No assets operated by the company belong to the directors or their families.

2. Internal audit

2.1. 2.1. Definition and summary of the context

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

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

– the financial operations are reliable,

– laws, regulations and directives are respected.

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

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

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

Corporate governance

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

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

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

2.3. Summary of the risks borne by the company

The risks are described precisely in the management report of the board of directors. .

2.3.1. Financial risks

The risks are market risks (interest and exchange rates), liquidity risk and equity risk. The management of financial risk forms an integral part of the management of the company. To provide improved risk monitoring and optimize internal controls, the management has separated the administrative and financial management into two parts: financial management and administrative and accounting management.

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

All financial matters are monitored or reviewed daily by the financial management, which provides the necessary resources in order to limit the financial risks. The objective of the administrative and accounting management is to produce reliable accounting and financial information, to communicate such information, monitor other risks, in particular counterparty risk, establish administrative, accounting and financial procedures and monitor the legal and fiscal affairs of the Group.

2.3.2. Legal risks

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

The risks are provisioned as soon as an expense becomes likely in accordance with article L 123-20 article 3 of the Commercial Code.

2.3.3. Industrial and environmental risks

These risks relate particularly to economic, political, geopolitical, technological, climatic and environmental risks.

They depend mainly on the various activities of the company. Regular reports are sent to the management to ensure that these risks are monitored.

2.4. Summary of the internal audit

2.4.1. General organization of the internal audit

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

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

2.4.2. Role of the internal audit department

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

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

2.4.3. General description of the procedures

Revenues and trade debtors

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

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

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

– Customer credit department: attached to the administrative and accounting department, this is responsible for giving its opinion before the order is processed. The bad and doubtful debt function is attached to this department. It issues invoices on the basis of information entered in the computer system by the Operations department. The generation of accounting entries for invoices is automated and integrated.

The essential principles of the revenues/trade debtors cycle are:

– lease contracts systematically entered in the computer system,

– management and invoicing system integrated with the accounting system,

– separation of tasks between the credit department, the operating departments and the treasury department,

– regular inspection of the amount of customer credit DSO – days sales outstanding) by the general management.

Expenses and trade creditors

The main objectives are to ensure that all expenses are recorded and to verify the valuation of the trade creditors and the accuracy of the payments.

The organization put in place is as follows:

– Operations department: initiates the order, issues "purchase requests" within limits strictly defined by the management. It accepts delivery of the order once it has been approved and ensures that delivery takes place correctly.

– Operations management: approves the requests, which are then converted into purchase orders. It negotiates the prices, selects the suppliers and oversees the conditions of sale.

– Operational management of the business: responsible for systematic inspection and approval of invoices.

– Accounts department: records invoices on the basis of purchase orders and prepares payments, which are approved by the general management.

The basic principles of the expenses/trade creditors cycle are based on:

– approval of the order,

– comparison of the purchase order and the delivery notes, work acceptance certificates, consignment notes and invoices,

– systematic inspection of invoices by the operational management of the business,

– centralization of payments by the general management.

Tangible assets

The major objective is to protect the company's assets.

The company carries out a general physical inventory twice a year in liaison with the operating departments and the administrative and accounting departments. Differences are analyzed, justified and presented to the general management.

Treasury department

The objectives intersect those of the other cycles. They are mainly achieved by a strict separation of tasks and the involvement of the general management.

The predominant aspects of the internal audit of the treasury/finance cycle are:

– centralized management of cash flows through monthly monitoring of flows,

– monitoring of authorizations and delegations of signing powers and other bank commitments,

– measurement and regular forecasting of cash requirements.

2.4.4. General description of the procedures relating to the preparation and treatment of financial and accounting information

The administrative and accounting procedures are established in such a way that the operations reflected in the annual financial statements fulfill the objectives with regard to regularity and fairness. These procedures are integrated into the internal audit described above.

These procedures are based on:

– integrated management and accounting systems,

– separation of tasks insofar as the size of the departments permits,

– supervision and control of operational and functional management and general management.

All of the financial and accounting information is reported monthly to the consolidation department, which carries out a consistency check on the flows and methods applied. A full consolidation is carried out every quarter. A summary consolidation is carried out in February, May, August and November of each year. The aim of the reporting and consolidation procedures is to guarantee compliance with the accounting principles applied by the company.

Furthermore, the monthly monitoring of the results of the subsidiaries and of the Group enables the general management to verify the financial translation of the strategy assigned to the businesses, involving an audit of the results in the context of the Group's budgetary commitments and business plan. It should be noted that the subsidiaries are visited regularly by the various managements (general, financial, accounting, operational), thereby ensuring correct adherence to the Group's procedures.

3. Limitations of the powers of the Chief Executive Officer

The Board of Directors has not specified any limitation of power.

Corporate governance

Report of the auditors to the shareholders pursuant to the final paragraph of article L.225-235 of the Commercial Code on the report of the chairman of the board of directors of TOUAX with regard to the internal audit procedures relating to the preparation and treatment of accounting and financial information.

Financial year ending on 31 December 2004

In our capacity as the auditors of TOUAX and pursuant to the provisions of the final paragraph of article L. 225-235 of the Commercial Code, we present to you our report on the report drawn up by the Chairman of your company in accordance with the provisions of article L. 225-37 of the Commercial Code in respect of the year ending on 31 December 2004.

It is the duty of the Chairman to account, in his report, for the conditions relating to the preparation and organization of the work of the board of directors and the internal audit procedures established within the company.

Our task is to inform you of our observations on the information provided in the report of the Chairman concerning the internal audit procedures relating to the preparation and treatment of the accounting and financial information.

We have conducted our work in accordance with the professional standards applicable in France. Those standards require that we assess the fairness of the information presented in the report of the Chairman concerning the internal audit procedures relating to the preparation and treatment of accounting and financial information.

Our work involved in particular:

– acquainting ourselves with the objectives and the general organization of the internal audit, and with the internal audit procedures relating to the preparation and treatment of accounting and financial information, as presented in the report of the Chairman;

– acquainting ourselves with the work on which information thus provided in the report is based.

On the basis of our work, we have no observations to make concerning the information given in relation to the internal audit procedures of the company relating to the preparation and treatment of accounting and financial information, as contained in the report of the Chairman of the Board of Directors drawn up pursuant to the provisions of the final paragraph of article L. 225-37 of the Commercial Code.

Paris and Neuilly-sur-Seine, 25 May 2005

The Statutory Auditors

DELOITTE & ASSOCIÉS
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIÉS
Paul NAÏM

Persons responsible for the reference document and audit of the financial statements

Person responsible for the reference document

Fabrice WALEWSKI
Chairman and Chief Executive Officer I

Certification of the person responsible for the reference document

To the best of our knowledge, the information contained in this reference document is correct and includes all the information required to permit an investor to reach an informed opinion concerning the assets and liabilities, business, financial position, results and outlook of the company. No information has been omitted that would be likely to alter its import."

3 June 2005
Fabrice WALEWSKI
Chairman and Chief Executive Officer

Persons in charge of the audit of the financial statements

DELOITTE & Associés
(formerly DELOITTE TOUCHE TOHMATSU)
Date of first appointment: 6 June 2000

185, Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine
Appointed at the combined general meeting of 7 June 1999 as a substitute to Mr Denis HERFORT for a six-year term. Mr Denis HERFORT resigned in May 2000. Appointed as principal auditor with effect from 6 June 2000 for the remainder of the term of office.

This term of office shall therefore expire at the close of the ordinary general meeting to be held in 2005 to decide on the 2004 financial statements.

BEAS
Substitute from 6 June 2000
7-9 Villa Houssay 92200 Neuilly sur Seine

Appointed at the combined general meeting of 6 June 2000 as a substitute to DELOITTE & ASSOCIES (previously DELOITTE TOUCHE TOHMATSU) for the remainder of the substitute's term of office.

This appointment shall therefore expire at the close of the ordinary general meeting to be held in 2005 to decide on the 2004 financial statements.

LEGUIDE NAIM & Associés (L.N.A.)
21, rue Clément Marot, 75008 Paris

Date of first appointment: 29 July 1986

Renewed at the ordinary general meeting of 28 June 2004 as principal auditor for a term of six years.

This appointment shall expire at the close of the ordinary general meeting to be held in 2010 to decide on the 2009 financial statements.

Serge LEGUIDE
Substitute
21 rue Clément Marot, 75008 Paris
Date of first appointment: 29 July 1986

Renewed at the ordinary general meeting of 28 June 2004 as a substitute to LEGUIDE, NAIM & Associés for a term of six years.

This appointment shall expire at the close of the ordinary general meeting to be held in 2010 to decide on the 2009 financial statements

Persons responsible for the reference document and audit of the financial statements

AUDITORS' FEES

(e thousands) Audit	Deloitte & Associés				Leguide, Naïm & Associés			
	Amount		%		Amount		%	
	2004	2003	2004	2003	2004	2003	2004	2003
Auditorship, certification, examination of individual and consolidated financial statements	290	278			62	58		
Ancillary duties	79	64			0	0		
Total for audit	**369**	**342**	**85%**	**88%**	**62**	**58**	**100%**	**100%**
Other services								
Legal, tax, social	63	32			0	0		
Information technology	0	0			0	0		
Internal audit	0	13			0	0		
Other	0	0			0	0		
Total for other services	**63**	**45**	**15 %**	**12 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**432**	**387**	**100 %**	**100 %**	**62**	**58**	**100 %**	**100 %**

(e thousands) Audit	Other networks				Total			
	Amount		%		Amount		%	
	2004	2003	2004	2003	2004	2003	2004	2003
Auditorship, certification, examination of individual and consolidated financial statements	52	57			404	393		
Ancillary duties	0	0			79	64		
Total for audit	**52**	**57**	**100 %**	**100 %**	**483**	**457**	**88 %**	**91 %**
Other services								
Legal, tax, social	0	0			63	32		
Information technology	0	0			0	0		
Internal audit	0	0			0	13		
Other	0	0			0	0		
Total for other services	**0**	**0**	**0 %**	**0 %**	**63**	**45**	**12 %**	**9 %**
TOTAL	**52**	**57**	**100 %**	**100 %**	**546**	**502**	**100 %**	**100 %**

Person responsible for financial communication

Thierry SCHMIDT de La BRÉLIE
Director of Administration and Accounting
Téléphone : + 33 1 46 96 18 38
Télécopie : + 33 1 46 96 18 18
E-mail : t.delabrelie@touax.com

Opinion of the statutory auditors on the reference document

Accounting period ending on 31 December 2004

In our capacity as the Statutory Auditors of TOUAX and pursuant to article 211-5-2 of the general regulations of the AMF, we have verified the information relating to the financial position and historical accounts provided in this reference document. Our work has been carried out in accordance with the professional standards applicable in France. This reference document was drawn up under the responsibility of the Board of Directors. Our task is to issue an opinion on the fairness of the information it contains with regard to the financial position and the financial statements.

In accordance with the professional standards applicable in France, our work involved assessing the fairness of the information on the financial position and the financial statements and verifying its consistency with the financial statements which were the subject of a report. It also involved reading the other information in the reference document in order to identify any significant inconsistencies with the information on the financial position and the financial statements and to draw attention to any manifestly incorrect information identified on the basis of the general knowledge of the company which we obtained during our assignment. This reference document contains no separate forecast data resulting from a structured compilation process.

We have conducted an audit, in accordance with the professional standards applicable in France, of the annual and consolidated financial statements for the accounting periods ending on 31 December 2004 and 2003 drawn up by the Board of Directors under French accounting standards. They have been certified without any reservation or observation. We have conducted an audit, in accordance with the professional standards applicable in France, of the annual and consolidated financial statements for the accounting period ending on 31 December 2002 drawn up by the Board of Directors under French accounting standards. They have been certified without any reservation, but an observation has been made concerning the change of accounting method relating to the presentation of the income statement: capital gains and losses on disposals of equipment, previously included under extraordinary items, as well as the other expenses and income previously classified as extraordinary, are now included in the operating income.

We have conducted an audit, in accordance with the professional standards applicable in France, of the consolidated financial statements for the 2004 financial year adjusted in accordance with IFRS standards as adopted within the European Union. In our report on these financial statements, we have expressed an unqualified opinion on all the significant aspects, in accordance with the rules described in the notes which accompany them. We would draw the reader's attention to:

– Note 4.2, which sets out the reasons why comparative information presented in the consolidated financial statements for the 2005 financial year may differ from the adjusted consolidated financial statements attached to our report,

– The fact that, with regard to the preparation for the transition to the IFRS accounting standards as adopted in the European Union for the preparation of the consolidated financial statements for the 2005 financial year, the adjusted consolidated accounts do not include comparative information relating to the 2003 financial year, nor all the explanatory notes required by the IFRS accounting standards, as adopted in the European Union, which would be necessary, having regard to the said standards, to give a true view of the assets, financial situation and results of all the companies included in the consolidation.

On the basis of our verifications, we have no observations to make regarding the fairness of the information relating to the financial position and the financial statements presented in this reference document.

Paris and Neuilly-sur-Seine, 25 May 2005

The Statutory Auditors

DELOITTE & ASSOCIÉS
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIÉS
Paul NAÏM

Appendices:
This reference document includes:
– the general report (a French-language version) and the auditors report on the consolidated financial statements (page 126) as at 31 December 2004 in which we also give evidence for our assessments in respect of article L. 225-235 of the Commercial Code
– the auditors' report drawn up pursuant to the final paragraph of article L 225-235 of the Commercial Code, on the report of the chairman of the Board of directors covering the internal audit procedures in respect of the production and processing of accounting and financial information.

Draft resolutions

Ordinary general meeting of 30 June 2005

The ordinary general meeting may only pass valid resolutions on first notice if the shareholders present or represented hold at least one-quarter of the voting shares. Decisions are made on a majority vote.

First resolution

The general meeting, having heard the reports of the board of directors and the statutory auditors, approves the said reports in their entirety, as well as the annual financial statements as presented, showing a net book profit of €2,856,845.

Second resolution

The ordinary general meeting discharges the board of directors in respect of its management in the 2004 financial year.

Third resolution

The general meeting approves the proposals presented by the board of directors and resolves to appropriate the profit as follows:

Income for the period..2,856,845€

Plus retained earnings from previous years........1,269,385€

Profit to be appropriated....................................4,126,230€

Allocation to the legal reserve...............................142,842€

Distribution of dividend......................................1,702,876€

Balance allocated to retained earnings...............2,280,512€

TOTAL PROFIT DISTRIBUTED 4,126,230 €

A dividend of €0.60 per share will therefore be distributed in respect of the 2,838,127 shares entitled to dividend. Pursuant to article 93 of Law no. 2003-1311 of 30 September 2003, the tax credit is no longer attached to dividends paid from 1 January 2005. The deduction at source also ceased to be applied to dividends paid from that date.

In accordance with the legal provisions and as set out in the management report, the general meeting notes that the dividends distributed in the last three financial years and the proposed dividend for 2004 are as follows:

In euros	2001	2002	2003	2004
Net dividend	0.35	0.60	0.25	0.60
Tax credit	0.18	0.30	0.125	NA
Total earnings	0.53	0.90	0.375	0.60
Number of shares	2,838,127	2,838,127	2,838,127	2,838,127
Dividends	1,018,345	1,702,877	709,532	1,702,876
Exceptional distribution	684,531	0	993,344	0
Total distributed	1 702 876	1 702 877	1 702 876	1 702 876

The dividend, in principle of €0.60 per share, will be paid as of 27 July 2005 at branches of Crédit Industriel et Commercial.

Fourth resolution

The general meeting, having heard the special report of the auditors on the agreements referred to in articles L.225-38 of the Commercial Code, successively approves, in accordance with article L.225-40 of the said code, each of the agreements mentioned therein.

Fifth resolution

The general meeting, having acquainted itself with the report on the management of the Group included in the management report of the board of directors and the reports of the Statutory Auditors, approves, as presented, the consolidated financial statements as at 31 December 2004 drawn up in accordance with the provisions of articles L.357-1 ff. of the Commercial Code.

Sixth resolution

The general meeting authorizes the board of directors, in accordance with article L.225-209 of the Commercial Code, to acquire a number of shares representing up to 10% of the share capital under the following conditions:

Maximum purchase price per share €37
Maximum amount €4,358,007

In accordance with article L.225-210 of the Commercial Code, the purchase of shares of the company may not have the effect of reducing the shareholders' equity by a sum lower than that of the increased capital of the non-distributable reserves. The amount of shares acquired may not exceed the amount of reserves, which stood at €4,412,953 as at 31 December 2004.

These shares may be acquired, in one or more transactions, by any or all means, including, where applicable, over-the-counter trading, sales of blocks of shares or the use of derivative products, with a view to:

– maintaining liquidity and market activity for the TOUAX SA share by way of a liquidity contract in accordance with the professional code of ethics recognized by the AMF concluded with an investment services provider;

– granting share purchase options or allocating free shares to employees and directors of the company and/or TOUAX group companies;

– canceling the shares, subject to a subsequent authorization by the extraordinary general meeting.

In the context of the first of these objectives, the company's shares will be purchased on behalf of the Company by an investment services provider acting within the terms of a liquidity contract and in accordance with the professional code of ethics recognized by the AMF. It should also be noted in respect of the last of these objectives, that authorization must be given by a subsequent extraordinary general meeting.

These operations can be conducted at any time, including during a public offering period, in accordance with the regulations in force.

The present authorization will take effect once it has been accepted by the present meeting. It is issued for a period of 18 months. It cancels and replaces that granted by the ordinary general meeting of 28 June 2004 in its sixth resolution.

The general meeting confers all powers on the board of directors, with the right to sub-delegate such powers, in deciding how the present authorization should be implemented and in determining the terms, in particular as regards adjusting the above-mentioned purchase price should any operation alter shareholder equity, the share capital or the par value of the shares, effecting all orders on the stock market, concluding any agreements, making any declarations, completing any formalities and in general carrying out all necessary actions.

Seventh resolution

The general meeting sets the total annual directors' fees allocated to the board of directors at €70,000.

Eighth resolution

As the directorship of Serge BEAUCAMPS will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Ninth resolution

As the directorship of Thomas M. HAYTHE will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Tenth resolution

As the directorship of Jean-Louis LECLERCQ will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Eleventh resolution

As the directorship of Philippe REILLE will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Twelfth resolution

As the directorship of Alexandre WALEWSKI will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Thirteenth resolution

As the directorship of Fabrice WALEWSKI will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Fourteenth resolution

As the directorship of Raphaël WALEWSKI will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Fifteenth resolution

As the directorship of ALMAFIN, represented by Hugo VANDERPOOTEN, will shortly expire, the general meeting extends its term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Sixteenth resolution

As the directorship of Jérôme BETHBEZE will shortly expire, the general meeting extends his term of office for a period of two years, up to the date of the general meeting held to decide on the 2006 financial statements.

Seventeenth resolution

The general meeting renews the appointment, for a period of six years ending on the date of the Ordinary General Meeting held to decide on the 2010 financial statements, of:

DELOITTE & ASSOCIES
185, Avenue Charles de Gaulle
92200 NEUILLY SUR SEINE

as the principal auditor, and of:

BEAS
7-9, Villa Houssay
92200 NEUILLY SUR SEINE

as the substitute auditor.

Eighteenth resolution

The general meeting grants full powers to the bearer of a copy or extract of the minutes of this Meeting to fulfill all the legal requirements regarding registration and legal publication.

Concordance table

The present document was filed with the Autorité des Marchés Financiers on 3 June 2005, in accordance with articles 211-1 to 211-42 of its general regulations. It may be used in connection with a financial transaction if it is accompanied by a transaction note certified by the Autorité des Marchés Financiers.

This document contains information which forms an integral part of the TOUAX Reference Document filed with the Autorité des Marchés Financiers on 3 June 2005. Where it is used as a Reference Document, it must be read in conjunction with the document entitled "Impact of International Accounting Standards (IFRS) 2004 (Reference Document part II).
This present version has been prepared for the convenience of English language readers. It is a translation of the original registered "Document de référence". It is intended for general information only and should not be considered as completely accurate owing the unvailability of English equivalents for certain French legal terms.
This present document does not include the statutory accounts, which can be found in the original French registered "Document de référence".

In the concern of the respect of the environment, we choose to publish this report a paper guaranted without chlorine, printed with inks bio based on vegetable oil.
The photoengraving was carried out CTP, without use of films, thus making it possible to reduce the quantity of chemical used.
Agency Communication: PANDORA - Printing works: STIPA

CERTIFICATION BY THE RESPONSIBLE PEOPLE

GENERAL INFORMATION

CAPITAL

STOCK MARKET

CAPITAL AND VOTING RIGHTS

ACTIVITY OF THE GROUP

ANALYSIS OF THE GROUP'S RISKS

ASSETS, FINANCIAL POSITION AND RESULTS

CORPORATE GOVERNANCE

OUTLOOK

TOUAX 2004

Your operational leasing solution

Impact of International Accounting Standards (IFRS)

Contents

IFRS Standards

Impact of International Accounting Standards (IFRS)

1. Context of the publication

In application of Regulation 1606/2002 of the European Commission adopted on 19 July 2002 for all listed companies within the European Union, TOUAX SA will publish its consolidated accounts, with effect from the financial year commencing on 1 January 2005, in accordance with the "International Financial Reporting Standards" (IFRS) issued by the IASB (International Accounting Standards Board) and endorsed by the European Commission.

The IFRS standards thus become the reference framework for the preparation of the consolidated financial statements of TOUAX, replacing the French accounting standards applicable for the last time to the consolidated 2004 accounts.

The purpose of the present memorandum is to provide the information required in respect of the transition to IFRS, in accordance with the recommendations of the CESR – Committee of European Exchange Securities Regulators – and the AMF.

The options selected and the exemptions used are those which the Group will most likely apply in the preparation of its first IFRS consolidated accounts in 2005. However, the TOUAX Group reserves the right to amend certain options and accounting methods applied in the present publication when the first IFRS accounts are finally published.

The information appearing in this memorandum was examined by the Board of Directors of TOUAX SA on 17 May 2005 and has been subjected to an audit examination by the auditors of TOUAX SA, who have issued a positive assurance on the information contained in this publication in their special audit report.

2. Organization of the transition to IFRS

The transition to IFRS required the implementation of the following resources and phases:
- an initial analysis and diagnostic phase covering the standards applicable to the Group was initiated at the beginning of the 2004 financial year. This phase involved identifying the standards liable to result in the greatest differences as compared to the consolidation principles applied by the Group under French accounting standards.
- this phase required the deployment of internal and external resources, with the involvement and under the supervision of the auditors, particularly with regard to the issues relating to asset securitization contracts entered into by the Group (cf. Note 2 in 4.5.3).
- an IFRS committee was formed within the Group, bringing together internal audit, consolidation and the accounting departments of TOUAX SA and the Group's significant subsidiaries.
- an action plan and a timetable for the transition to IFRS were drawn up by the IFRS committee and presented to the Group's General Management for approval.
- in the second half of 2004, the IFRS committee and the Group's administrative and accounting directorate finalized the accounting options under IFRS standards and simulated the impact of the application of the new accounting standards on the opening balance sheet as at 1 January 2004.

3. Presentation of the impact of the transition to IFRS in figures

3.1. Objective and content

The details given below of the impact of the transition to IFRS in figures (cf. 3.2) relate to:
- the preparation of the opening balance sheet under IFRS as at 1 January 2004,
- the impact on the presentation and valuation of the main aggregates of the balance sheet as at 31 December 2004 and of the income statement for the period from 1 January to 31 December 2004.

The transition to IFRS will only have a limited presentational impact on the cash flow statement under IFRS, which, for this reason, is not being provided.

The purpose of the transition tables below is to set out and explain the main impacts of the change in accounting standards on the Group's financial situation and its financial performance. This information does not replace the more detailed comparative presentation which will be published in respect of the consolidated accounts for the year ending 31 December 2005, including in particular the preparation of full explanatory notes and comparisons for 2005 and 2004, in accordance with the IFRS accounting standards. To provide investors with consistent financial information in respect of 2005, the TOUAX Group will publish half-year financial statements applying the same IFRS rules on valuation and transaction recognition as for the financial statements as at 31 December 2005, but limiting the detail of explanatory notes to that required under French regulations. Comparative IFRS data for the period from 1 January to 30 June 2004 and comparisons with the financial statements previously published for this period under French standards will be presented at the time of publication of the half-year financial statements as at 30 June 2005.

Impact of International Accounting Standards (IFRS)

3.2. Impacts of the transition to IFRS

In accordance with standard IAS 1 "Presentation of Financial Statements", the presentation of the consolidated balance sheet of TOUAX complies with the classification of assets and liabilities into current and non-current elements. The balances in the balance sheet under French standards have been reclassified on the basis of these criteria (cf. 4.5.1).

The presentational differences in the income statement under IFRS compared to French standards, set out in 4.5.2, are limited, as the TOUAX Group did not present an "Exceptional result" under French standards. Exceptional income and expenses (such as capital gains and losses on disposals of equipment considered to be everyday management operations because of the Group's leasing activity) contributed to the operating income in the consolidated income statements published by the TOUAX Group under French standards.

The differences in the conditions governing the recording and valuation of their impacts are described in notes 1 to 9 in 4.5.3.

3.2.1. Transition table for the consolidated balance sheet as at 1 January 2004

The exceptions to the retrospective application used in the preparation of the opening balance sheet as at 1 January 2004 are stated in 4.4.

The transition table for the opening balance sheet (as at 1 January 2004) is as follows:

(€ thousands)	Notes	Published consolidated balance sheet under French standards as at 31/12/03	Consolidated balance sheet under French standards 31/12/03 - IFRS Présentation presentation of current/non-current elements	Other reclassifications	IFRS adjustments having an impact of shareholders' equity	IFRS consolidated balance sheet as at 01/01/04
ASSETS						
Goodwill	1	2,649	2,649	0	0	2,649
Other net intangible fixed assets	5	313	313	0	(242)	71
Net tangible fixed assets	4,5 et 6	86,980	86,980	(144)	(1,412)	85,424
Financial fixed assets		12,071	0	0	0	0
Long-term financial assets		0	12,842	0	(126)	12,716
Other non-current assets		0	915	0	0	915
Deferred tax assets	9	0	3,562	0	0	3,562
Total fixed assets Reg n° 99-02						
Total non-current assets IFRS		**102,013**	**107,261**	**(144)**	**(1,780)**	**105,337**
Inventories and work in progress		4,332	4,332	0	0	4,332
Trade debtors		21,230	21,230	0	0	21,230
Other receivables		16,526	0	0	0	0
Other current assets	5	0	11,278	0	(2,457)	8,821
Cash and short-term investments		27,525	27,525	0	(36)	27,489
Total current assets Reg n°99-02						
Total current assets IFRS		**69,613**	**64,365**	**0**	**(2,493)**	**61,872**
Assets intended for disposal		0	0	0	0	0
TOTAL ASSETS		**171,626**	**171,626**	**(144)**	**(4,273)**	**167,209**
LIABILITIES						
Share capital		22,705	22,705	0	0	22,705
Consolidated reserves		23,329	23,329	0	(12,822)	10,507
Attributable shareholders' equity		**46,034**	**46,034**	**0**	**(12,822)**	**33,212**
Minority interests		725	725	0	(40)	685
Total shareholders' equity		**46,759**	**46,759**	**0**	**(12,862)**	**33,897**
Borrowings and financial debts		79,767	45,567	0	0	45,567
Deferred tax liabilities	9	0	743	0	0	743
Retirement benefits and similar items	8	0	77	0	62	139
Other long-term liabilities		0	144	(144)	8,527	8,527
Total non-current liabilities		**N/A**	**46,531**	**(144)**	**8,589**	**54,976**
Provisions for liabilities and charges		376	155	0	0	155
Borrowings and current bank facilities		0	34,200	0	0	34,200
Amounts owed to suppliers		27,227	27,227	0	0	27,227
Other liabilities		17,497	16,754	0	0	16,754
Total current liabilities		**N/A**	**78,336**	**0**	**0**	**78,336**
Liabilities intended for disposal		0	0	0	0	0
TOTAL LIABILITIES		**171,626**	**171,626**	**(144)**	**(4,273)**	**167,209**

Impact of International Accounting Standards (IFRS)

3.2.2. Transition table for the consolidated balance sheet as at 31 December 2004

The transition table for the balance sheet as at 31 December 2004 is as follows:

(€ thousands)	Notes	Published consolidated balance sheet under French standards as at 31/12/04	Consolidated balance sheet under French standards 31/12/04 - IFRS Présentation presentation of current/non-current elements	Other reclassifications	IFRS adjustments having an impact of shareholders' equity	IFRS consolidated balance sheet as at 31/12/04
ASSETS						
Goodwill	1	2,410	2,410	0	233	2,643
Other net intangible fixed assets	5	277	277	0	(226)	51
Net tangible fixed assets	4,5 et 7	76,072	76,072	(144)	(1,882)	74,046
Financial fixed assets		10,557	0	0	0	0
Long-term financial assets		0	11,462	(225)	(109)	11,128
Other non-current assets		0	1,116	0	0	1,116
Deferred tax assets	9	0	2,085	0	1,163	3,248
Total fixed assets Reg n° 99-02/ Total non-current assets IFRS		**89,316**	**93,422**	**(369)**	**(820)**	**92,233**
Inventories and work in progress		13,033	13,033	0	0	13,033
Trade debtors		28,094	28,094	0	0	28,094
Other receivables		21,594	0	0	0	0
Other current assets	5	0	17,488	(9)	(3,387)	14,092
Cash and short-term investments		32,185	32,185	0	(31)	32,154
Total current assets Reg n° 99-02/ Total current assets IFRS		**94,906**	**90,800**	**(9)**	**(3,418)**	**87,373**
Assets intended for disposal		0	0	0	0	0
TOTAL ASSETS		**184,222**	**184,222**	**(378)**	**(4,238)**	**179,606**
LIABILITIES						
Share capital		22,705	22,705	0	0	22,705
Consolidated reserves		20,375	20,375	0	(12,388)	7,987
Attributable profit or loss for the period		3,217	3,217	0	(40)	3,177
Attributable shareholders' equity		**46,297**	**46,297**	**0**	**(12,429)**	**33,868**
Minority interests		186	186	0	(40)	146
Total shareholders' equity		**46,483**	**46,483**	**0**	**(12,469)**	**34,014**
Borrowings and financial debts		72,662	42,391	0	0	42,391
Deferred tax liabilities	9	0	729	0	0	729
Retirement benefits and similar items	8	0	77	0	76	153
Other long-term liabilities		0	369	(369)	8,155	8,155
Total non-current liabilities		**N/A**	**43,566**	**(369)**	**8,231**	**51,428**
Provisions for liabilities and charges		722	276	(9)	0	267
Borrowings and current bank facilities		0	30,271	0	0	30,271
Amounts owed to suppliers		35,776	35,776	0	0	35,776
Other liabilities		28,579	27,850	0	0	27,850
Total current liabilities		**N/A**	**94,173**	**(9)**	**0**	**94,164**
Liabilities intended for disposal		0	0	0	0	0
TOTAL LIABILITIES		**184,222**	**184,222**	**(378)**	**(4,238)**	**179,606**

3.2.3. Reconciliation table of shareholders' equity as at 1 January 2004 and 31 December 2004

		ATTRIBUTABLE SHAREHOLDERS' EQUITY						MINORITY INTERESTS	TOTAL CONSO-LIDATED GROUP
(€ thousands)	Notes	01/01/2004	Result for the year	Distribution of dividends	Translation difference	Other items	31/12/2004	31/12/2004	31/12/2004
Shareholders' equity under French accounting standards		**46,034**	**3,217**	**(1,710)**	**(947)**	**(297)**	**46,297**	**186**	**46,483**
Tangible fixed assets Application of the component approach and modification of depreciation schedules of certain fixed assets, impairment charge	4	(1,407)	(510)	0	41	0	(1,876)	0	(1,876)
Intangible fixed assets and charges to be spread over several periods Reversal of charges to be spread over several periods and certain intangible fixed assets	5	(2,256)	(1,022)	0	108	0	(3,170)	0	(3,170)
Revenue Reversal of revenue recognized under French standards (start-up commissions not meeting all IFRS revenue recognition criteria)	7	(8,527)	(18)	0	390	0	(8,155)	0	(8,155)
Retirement benefits	8	(62)	(14)	0	0	0	(76)	0	(76)
Own shares Reclassification as deduction from shareholders' equity		(36)	0	0		5	(31)	0	(31)
Other items		(534)	13	0	4	0	(517)	(40)	(557)
Total IAS/IFRS adjustments before tax		(12,822)	(1,551)	0	543	5	(13,825)	(40)	(13,866)
Effect of deferred tax on IFRS adjustments	9	0	1,274	0	(111)	0	1,163	0	1,163
Goodwill	1	0	237	0	(4)	0	233	0	233
Cancellation of amortization charges									
Shareholders' equity under IFRS		**33,212**	**3,177**	**(1,710)**	**(519)**	**(292)**	**33,868**	**146**	**34,014**

Impact of International Accounting Standards (IFRS)

3.2.4. Transition table for the income statement from 1 January to 31 December 2004

The transition table for the income statement by type as at 31 December 2004 is as follows:

(€ thousands)	Notes	French standards	Reclassifications	IFRS adjustments	Total adjustments	IFRS
Revenues		**180,583**	**0**	**0**	**0**	**180,583**
Capital gains on disposals		N/A	4,547	0	4,547	4,547
Revenues from activities		**N/A**	**4,547**		**4,547**	**4,547**
Purchases and other external expenses	5	(122,385)	0	(1,987)	(1,987)	(124,372)
Personnel expenses		(11,550)	0	0	0	(11,550)
Other operating expenses and income		3,866	(4,547)	0	(4,547)	(681)
Gross operating profit		**50,514**	**0**	**(1,987)**	**(1,987)**	**48,527**
Net transfer to operating provisions		975	0	0	0	975
Ebitda		**51,489**	**0**	**(1,987)**	**(1,987)**	**49,502**
Depreciation and amortization charges and transfers to provisions	4 et 5	(6,237)	0	442	442	(5,795)
Operating result		**45,252**	**0**	**(1,545)**	**(1,545)**	**43,707**
Net distribution to investors		(36,862)	0	0	0	(36,862)
Operating result after distribution to investors		**8,390**	**0**	**(1,545)**	**(1,545)**	**6,845**
Financial income		1,246	0	(18)	(18)	1,228
Financial expenses		(4,958)	0	13	13	(4,945)
Financial result		**(3,712)**	**0**	**(5)**	**(5)**	**(3,717)**
Underlying pretax earnings		**4,678**	**0**	**(1,550)**	**(1,550)**	**3,128**
Corporation tax	9	(1,611)	0	1,274	1,274	(337)
Net income of consolidated companies		**3,067**	**0**	**(276)**	**(276)**	**2,791**
Amortization of goodwill		(236)	0	236	236	(0)
Result of discontinued activities		0	0	0	0	0
Net income of the consolidated group		**2,831**	**0**	**(40)**	**(40)**	**2,791**
Minority interests		386	0	0	0	386
Consolidated net attributable income		**3,217**	**0**	**(40)**	**(40)**	**3,177**
Earnings per share		**1.13**				**1.12**

The transition table for the analytical income statement as at 31 December 2004 is as follows:

(€ thousands)	Notes	French standards	Reclassifications	IFRS adjustments	Total adjustments	IFRS
Lease revenues		108,396	1,871	0	1,871	110,267
Sales of equipment		70,227	0	0	0	70,227
Commissions		89	0	0	0	89
Managed equipment program distributions		1,871	(1,871)	0	(1,871)	0
Total revenues		**180,583**	**0**	**0**	**0**	**180,583**
Capital gains on disposals		N/A	4,547	0	4,547	4,547
Revenues from activities		**N/A**	**4,547**	**0**	**4,547**	**4,547**
Cost of sales		(65,135)	0	0	0	(65,135)
Operating expenses	5	(55,132)	0	(1,987)	(1,987)	(57,119)
Selling, general and administrative expenses		(10,314)	0	0	0	(10,314)
Capital gains on disposals		4,547	(4,547)	0	(4,547)	0
Overheads		(3,060)	0	0	0	(3,060)
EBITDA		**51,489**	**0**	**(1,987)**	**(1,987)**	**49,502**
Depreciation, amortization and provisions	4 et 5	(6,237)	0	442	442	(5,795)
Operating income		**45,252**	**0**	**(1,545)**	**(1,545)**	**43,707**
Net distribution to investors		(36,862)	0	0	0	(36,862)
Operating result after distribution to investors		**8,390**	**0**	**(1,545)**	**(1,545)**	**6,845**
Financial income		1,246	0	(18)	(18)	1,228
Financial expenses		(4,958)	0	13	13	(4,945)
Financial result		**(3,712)**	**0**	**(5)**	**(5)**	**(3,717)**
Underlying pretax income		**4,678**	**0**	**(1,550)**	**(1,550)**	**3,128**
Corporation tax	9	(1,611)	0	1,274	1 274	(337)
Net income of consolidated companies		**3,067**	**0**	**(276)**	**(276)**	**2,791**
Amortization of goodwill		(236)	0	236	236	(0)
Result of discontinued activities		0	0	0	0	0
Net income of the consolidated group		**2,831**	**0**	**(40)**	**(40)**	**2,791**
Minority interests		386	0	0	0	386
Consolidated net attributable income		**3,217**	**0**	**(40)**	**(40)**	**3,177**
Earnings per share		**1.13**				**1.12**

Impact of International Accounting Standards (IFRS)

The impacts of the transition to IFRS on the "net income of the consolidated group" (attributable share and minority interests) for the period from 1 January to 31 December 2004 are as follows:

(€ thousands)	31/12/2004
Result under French standards	**3,217**
Adjustment to tangible fixed assets (IAS 16)	(510)
Adjustment to intangible fixed assets (IAS 38) and charges to be spread over several periods	(1,022)
Adjustment to revenue (IAS 18)	(18)
Adjustment to retirement benefits (IAS 19)	(14)
Other adjustments	13
Total IFRS adjustments before tax	**(1,551)**
Deferred taxes	1,274
Cancellation of goodwill charge	237
Result under IFRS	**3,177**
Net impact on the "net income of the consolidated group"	(40)
– Attributable share	*(40)*
– Minority interests	*0*

4. Accounting, valuation and presentation principles applied by the Group under IFRS accounting standards

4.1. Preliminary comments

Details are given below of the accounting, valuation and presentation principles applied by the Group under IFRS accounting standards, with the following objectives:

- highlighting and summarizing the differences as compared to the principles and methods applied by the Group under French standards (cf. Notes to the consolidated accounts as at 31 December 2004 – reference document),
- informing the reader of the options selected by the Group, whether in the context of options left open by certain IFRS standards or specific adjustments proposed in standard IFRS 1 for the preparation of the opening balance sheet as at 1 January 2004.

4.2. Bases of the IFRS accounting standards applied by TOUAX

The TOUAX Group has defined its IFRS principles on the basis of the IFRS standards approved by the IASB and applicable on a compulsory basis to financial years commencing with effect from 1 January 2005, as adopted by the European Union, except for certain provisions of standard IAS 39 "Financial instruments, recognition and measurement". The principles set out below will serve as a basis for the preparation of the IFRS 2005 accounts and have consequently been used to adjust the opening balance sheet as at 1 January 2004 and the comparative data as at 31 December 2004.

TOUAX is not applying in advance any of the standards or interpretations approved hitherto by the IASB in cases where compulsory application will concern the financial years commencing after 1 January 2005.

As a result of the first application of IFRS standards, the TOUAX Group has adhered to the specific rules for first-time adoption as defined in standard IFRS 1.

However, the TOUAX Group reserves the right to amend certain options and accounting methods applied in the present publication when the final publication takes place of the first IFRS accounts, particularly as a result of technical questions and ongoing projects under discussion by the IASB and the IFRIC if they have to be applied from 2005 in a way which differs from the treatments applied by the Group.

4.3. Non-application of standards IAS 32 and 39 in the adjusted IFRS 2004 accounts

In accordance with the transitional provisions specifically provided for in standards IAS 32 "Financial instruments: disclosure and presentation", IAS 39 "Financial instruments: recognition and measurement" and IFRS 1 "First-time adoption of IFRS", the TOUAX Group is applying the standards IAS 32 and IAS 39 with effect from 1 January 2005, but is not making any adjustment under these standards for the presentation of the opening balance sheet as at 1 January 2004 and of the comparative financial statements for 2004.

Consequently, the presentation and recognition of financial instruments and hedging transactions remain unchanged in the IFRS adjusted 2004 consolidated accounts compared to the French accounting treatment.

The application of these standards is mainly expected to concern four interest rate swap transactions in respect of the Group's borrowings (cf. the chapter entitled "Dependency factors and risk factors" in the reference document).

4.4. Principles for the preparation of the opening IFRS balance sheet as at 1 January 2004 and exceptions to the general principle of retrospective application

In accordance with the IFRS 1 standard, the IFRS consolidated opening balance sheet of the TOUAX Group, drawn up on the transition date of 1 January 2004, provides initial balances for the assets and liabilities, recorded and valued in accordance with IFRS and as if the standards had been applied since the beginning of the consolidation of the Group (excluding the impact of financial instruments – cf. 4.3). All of the adjustments required by the retrospective application of the IFRS accounting standards are accounted for in the shareholders' equity as at 1 January 2004 in accordance with IFRS 1.

However, the TOUAX Group has made use of the following exceptions which are authorized by IFRS 1:

- the "Consolidation reserves" include the "Translation reserves" accumulated as at 1 January 2004 at the time of translation of the accounts of foreign businesses and subsidiaries, applying the closing rate method. The translation reserves thus reclassified are no longer recycled in the result in the event of a disposal of the foreign businesses or subsidiaries concerned after 1 January 2004.
- acquisitions and business combinations occurring before 1 January 2004 have not been adjusted in accordance with the provisions of standard IFRS 3.

Furthermore, in application of the option provided by standard IFRS 2 "Share-based payment", which concerns stock option and share schemes, only instruments granted after 7 November 2002 and not yet exercisable as at 1 January 2005 have been taken into account; the impact of the scheme involving 11,001 share warrants on the Group's accounts is negligible and consequently has not given rise to an adjustment.

The information relating to the various schemes appears in the chapter entitled "Information on capital" in the reference document. Finally, the Group has not taken up the option provided by standard IFRS 1 of revaluing certain categories of tangible fixed assets.

4.5. Principles applied by TOUAX in the IFRS accounts: differences as compared to the principles applied under French accounting standards / IFRS Options / Main impacts

This analysis is carried out on the basis of the main themes and is focused on the IFRS standards which have the most significant impacts on the adjustment of the 2004 accounts under IFRS.

4.5.1. Presentation of the IFRS balance sheet

Presentational principles

In accordance with standard IAS 1 "Presentation of financial statements", the presentation of the consolidated balance sheet of TOUAX under IFRS complies with the classification of assets and liabilities into current and non-current elements. The balances in the balance sheet under French standards have been reclassified in accordance with these criteria.

An asset is current when it meets one of the following criteria:

- the realization, sale or consumption of the asset falls within the operating cycle,
- the asset is held essentially for transaction purposes or for a short duration and the company expects to realize it no later than 12 months after the closing date,
- the asset is cash or a cash equivalent which is not subject to any restriction.

The other assets are non-current assets.

A liability is current if it meets one of the following criteria:

- it is expected that the liability will be settled within the operating cycle,
- the liability must be settled no later than 12 months after the closing date.

The other liabilities are non-current liabilities.

Main reclassifications in the consolidated balance sheets as at 1 January and 31 December 2004

The main reclassifications on the assets side concern:

- the breakdown of the other receivables into current and non-current assets in accordance with their maturities (less than one year or more than one year at the closing date),
- presentation of deferred tax assets on a separate line of the balance sheet in the non-current assets.

Impact of International Accounting Standards (IFRS)

The main reclassifications on the liabilities side concern:
- the breakdown of borrowings and financial debts into current and non-current liabilities in accordance with their maturities (less than one year or more than one year at the closing date),
- presentation of deferred tax liabilities on a separate line of the balance sheet in the non-current liabilities.

4.5.2. Presentation of the IFRS income statement

As in the French format, the TOUAX Group has chosen to continue to present its consolidated income statement under IFRS by both type and function ("analytical" income statement).

In view of the fact that the "exceptional" expenses and income were already included in the operating income under French standards, the only acknowledged impact of the transition to IFRS is the presentation of the total "Revenues from activities", which includes all of the income associated with the Group's activity as an operational leasing provider, i.e. both leasing revenues (which constitute the bulk of its revenues under French standards) and the capital gains realized on sales of equipment in the different segments of activity.

The shares of income from joint operations with investors are recorded under the separate heading "Net distribution to investors" after the operating income, in the same way as in the accounts under French standards.

4.5.3. Accounting and valuation principles

Note 1 – Goodwill

Principles applied under French standards

When a company joins the consolidated group following its acquisition, the difference recorded between the cost price of the shares held and the corresponding share in the shareholders' equity (after any allocation to assets and liabilities of the acquired company) is taken to goodwill.

The goodwill is amortized on a straight-line basis over estimated periods as at the date of acquisition, depending on the type of activity and the strategic importance of each of the companies concerned, over a maximum of 20 years.

The value of the goodwill is examined when events or circumstances indicate that a loss of value may have occurred. Such events or circumstances include significant unfavorable changes of a sustained nature, affecting the economic environment, assumptions or objectives applying on the date of acquisition. The need to record a loss of value is assessed for each entity by reference to the value of discounted cash flows, within the context of the economic assumptions and projections of operating conditions applied by the Group's management. Any exceptional amortization resulting from this value test is entered in the income statement.

IFRS

Under IFRS 3 "Business combinations", goodwill is no longer amortized. In accordance with IAS 36 "Impairment of assets", it is subjected to an impairment test at least once a year or more frequently if there is an indication of a loss of value. The test conditions are intended to ensure that the recoverable value of the cash-generating unit to which the goodwill is allocated or attached (generally the legal entity in the case of the Group) is at least equal to its net book value (cf. note 6 – Loss of value of fixed assets). If a loss of value is ascertained, an irreversible provision is entered in the result.

Impact on the Group's accounts

As at 1 January 2004, the goodwill is stated directly at the amount net of amortization. This becomes the new book value under IFRS, i.e. €2,649,000.

The value tests carried out as at 1 January 2004 and 31 December 2004 in accordance with IAS 36 "Impairment of assets" have not revealed any loss of value in respect of goodwill.

The cancellation of the goodwill amortization charge has a positive impact of €236,000 in the IFRS adjusted 2004 income statement.

Note 2 – Asset securitizations: Trusts TCLRT 95, TCLRT 98 and TLRT 2001, GIE Modul Finance I

Treatment under French standards

Asset securitization transactions carried out in the "Shipping containers" business by the creation of Trusts TCLRT 95, TCLRT 98 and TLRT 2001 and in the "Modular buildings" activity by the formation of GIE Modul Finance I are described in note 23 of the notes to the 2004 consolidated accounts under French standards.

These operations have enabled the Group to increase its capacity as an operational leasing provider, by calling on external investors to acquire the assets necessary for the Group's activity, and by providing the financing. Management contracts in respect of these assets govern the relationships between the TOUAX Group, the manager and lessor of the assets, and the investors.

It is stated in the notes to the consolidated accounts under French standards (cf. note 23 of the reference document) that the Group controls neither the Trusts nor GIE Modul Finance I within the meaning of Regulation CRC 99-02 and opinion 2004-10 of the CNC of 6 April 2004. It is specified in particular that the Group has no decision-making powers in respect of the entities concerned, nor in respect of their assets, that it does not have the majority of the economic benefits of the said entities and does not bear the majority of the risks associated with them.

Consequently, Trusts TCLRT 95, TCLRT 98 and TLRT 2001 and GIE Modul Finance I are not consolidated under French standards. Under French rules, all of the leasing revenues from leasing customers are recorded in the consolidated revenues of the TOUAX Group. Symmetrically, the expenses incurred by the Group in respect of the management of assets constitute operating expenses. The income from operations is returned to the Trusts and to the GIE and appears on the line "Net distribution to investors" after the Group has deducted a management commission.

IFRS

From the detailed and substantive analysis of the above securitization contracts, it can be concluded that the Trusts and the GIE are not special purpose entities controlled by the Group within the meaning of SIC 12 "Consolidation – special purpose entities". Consequently, and, in the same way as under French rules, the assets and liabilities of the Trusts and the GIE are not consolidated in IFRS adjusted 2004 balance sheets.

The analysis of the leasing contracts between the Group and the Trusts considered in note 3; that relating to the treatment of start-up commissions on the creation of structures is presented in note 7.

Note 3 – Leasing contracts

Principles applied under French standards

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

They are depreciated on the basis of the same rules as wholly owned assets.

The corresponding debt is included in the financial debts.

IFRS

The main leasing contracts have been examined in the light of standard IAS 17 "Leases", TOUAX occupying simultaneously the positions of lessee (for the equipment which it manages without being the owner) and lessor (for leases which it concludes with external customers).

The review of contracts has resulted in no IFRS adjustment in respect of the leases entered as assets in the French consolidated accounts. In particular, the analysis of the characteristics of the leases concluded by the Group with Trusts for the shipping containers taken into management has confirmed that they are to be described and treated in the accounts as simple leasing contracts.

Note 4 – Tangible fixed assets

Principles applied under French standards

Apart from the case of business groupings (where the assets of the target are valued at the fair value on the acquisition date), tangible fixed assets are entered in the balance sheet at their acquisition or production cost.

The depreciation is calculated on a straight-line basis over the expected useful life, as determined for the main categories of fixed assets (cf. below).

An exceptional writedown of the fixed asset is entered if the recoverable value is lower than the book value.

The expected useful lives of equipment acquired new are within the following ranges:
Shipping containers (of the "dry" type) ....15 years
Modular buildings...20 years
River transport (barges and pushboats)...30 to 35 years
Railcars...30 years

Shipping containers are depreciated with a residual value of 15% in accordance with the standards applied in the profession.

Secondhand equipment is depreciated on a straight-line basis over its economic life. River barges are depreciated over an average of 20 years.

Impact of International Accounting Standards (IFRS)

IFRS

A. Valuation of tangible fixed assets at cost net of depreciation and impairment

Tangible fixed assets continue to appear in the balance sheet at their acquisition or production cost. They are not subject to any revaluation. At each accounting date, the acquisition cost is reduced by the amount of accumulated depreciation and impairment provisions are determined in accordance with IAS 36 "Impairment of assets" (cf. Note 6).

B. Acquisition or production cost

The costs of borrowings used to finance assets over a long start-up or production period are not included in the entry costs of the fixed assets: they are stated as expenses for the period (same rule applied in the accounts under French standards).

The main changes in the determination of the acquisition cost under IFRS compared to French rules have resulted from the component approach, which has been applied retrospectively to the opening balance sheet as at 1 January 2004 and for the requirements of IFRS comparison of 2004 and 2005.

The standard IAS 16 "Property, plant and equipment" requires that the main components of a fixed asset which have a useful life shorter than that of the main fixed asset be identified so that they can be amortized over their own useful life.

The component-based approach has been applied to the "River barges" activity. In particular, the acquisition price of the pushboats has been broken down between the hull and the engine, in order to depreciate engines over a useful life which generally does not exceed 10 years.

Certain other components of the acquisition cost have also been isolated (such as the entry fees paid when barges are acquired for access to certain navigation basins). They have been depreciated in a different way than the main fixed asset, or have even been written down to take into account their recoverable value as at 1 January 2004 and changes in river regulations.

In the case of certain repair and maintenance expenses in the "Modular buildings" activity which are entered under tangible fixed assets in the balance sheet as at 31 December 2004 under French rules, it is considered that they do not fulfill the criteria for replacement expenses or major repairs which could be eligible for the component-based approach under IAS 16. These have been reclassified as expenses in the IFRS 2004 income statement.

C. Depreciation

In parallel with the component-based approach, an examination of the conditions and useful lives of the river barges has been carried out and has retrospectively justified a shortening of the depreciation schedules for certain secondhand barges in order to take account of the specific nature of these barges, their condition and their foreseeable use as at the acquisition date.

D. Impairment

Impairment tests have been carried out on certain tangible fixed assets (or groups of assets) where there is an indication of a loss of value.

Impacts in figures

Impacts of IAS 16 and IAS 36 (€ thousands)	Balance sheet as at 01/01/2004	2004 result	Translation difference	Balance sheet at 31/12/2004
EUROBULK T.M. BV	(744)	(68)	0	(812)
TOUAX SA	(663)	24	0	(639)
River barges	(1,407)	(44)	0	(1,451)
MARSTEN TLC. WORKSPACE	0	(466)	41	(425)
Modular buildings	0	(466)	41	(425)
TOTAL	**(1,407)**	**(510)**	**41**	**(1,876)**

Note 5 – Adjustment to charges to be spread over several periods and certain intangible fixed assets

Principles applied under French standards

Under French standards, certain expenses associated with the start-up of activities (such as lawyers' or consultants' fees or commissions, etc.) or expenses of a large and recurrent nature relating to several future financial years and having the objective of saving costs or increasing the output or productivity of the activities or which are necessary in order to maintain or improve the competitive situation of the company can be stated under preliminary expenses (in particular documentary costs) or under charges to be spread over several periods.

In accordance with the French rules, the Group's balance sheet as at 1 January 2004 and 31 December 2004 therefore showed charges to be spread over several periods, comprising principally:

- formation fees and expenses incurred for the formation and start-up of Trust TLRT 2001 (cf. note 2), amortized over 10 years (€1,715,000 and €1,363,000 respectively as at 1 January and 31 December 2004),
- the capitalization in 2004 of upgrade expenses for modules managed on behalf of investors, depreciated over seven years, i.e. the residual term of the management contract between the Group and the investor. The total amount was €1,380,000 as at 31 December 2004.

IFRS

Under IFRS rules, the item "Charges to be spread over several periods" does not exist. The amounts included under this heading by the application of French rules applicable up to 31 December 2004 constitute expenses, unless they comply with the asset recognition criteria under IFRS (intangible asset, component of the acquisition cost of a tangible asset, etc.).

The residual amount of the formation expenses for Trust 2001 (lawyer's fees) has therefore been reversed in the adjusted IFRS accounts.

The recognition of an asset under IFRS implies the identification of the asset, the existence of a resource verified by the entity and generating future economic benefits for the entity, assessed on the basis of reasonable, documented assumptions. It has been considered that the module upgrade expenses incurred by TOUAX SA in 2004 did not meet all of these criteria (in particular the precise identification of the assets) and could not therefore constitute an eligible asset under IFRS.

Other less significant amounts have been reversed for similar reasons from the intangible fixed assets or deferred charges.

Impact on the accounts of the Group

Impacts of IAS 38 and IAS 16 (€ thousands)	Balance sheet as at 01/01/2004	2004 result	Translation difference	Balance sheet 31/12/2004
Leasco 2 – Formation expenses	(1,715)	249	103	(1,363)
Other items	(77)		6	(72)
Shipping containers	(1,792)	249	108	(1,435)
Touax SA – upgrading of modules	(6)	(1,374)		(1,380)
Other items	(458)	103		(355)
Modular buildings	(464)	(1,271)	0	(1,735)
TOTAL	**(2,256)**	**(1,022)**	**108**	**(3,170)**

Impact of International Accounting Standards (IFRS)

Note 6 – Loss of value of fixed assets

Principles applied under French standards

A reminder of the rules relating to the impairment of tangible fixed assets and goodwill under French standards is given in notes 1 and 4.

IFRS

In accordance with standard IAS 36 "Impairment of assets", the recoverable value of tangible and intangible fixed assets is tested as soon as there is any indication of a loss of value, this being reviewed at each closing date. This test is carried out at least once per year for all assets of an indefinite life, i.e. goodwill in the case of the TOUAX Group.

For this test, the fixed assets are grouped into cash-generating units (CGUs). The CGUs are homogenous groups of assets whose continuous use generates cash inflows which are largely independent of the cash inflows generated by other groups of assets. The recoverable value of these units is most often determined in relation to their utility value or on the basis of discounted net future cash flows.

Where the recoverable value is less than the net book value of the CGU, a loss of value is recorded. Where a CGU contains goodwill, the loss of value is applied first to the goodwill, before any impairment is entered against the other fixed assets of the CGU.

However, in certain cases, the appearance of value-loss factors specific to certain assets may provide grounds for a test and justify an impairment of these assets regardless of the CGU to which they relate.

In the TOUAX Group, the CGUs containing goodwill are made up by consolidated subsidiaries which carry out their activities in only one area of activity of the Group within the meaning of IAS 14 (cf. 4.6) and geographical areas which differ from those of the other subsidiaries.

The consolidating company TOUAX SA generates most of its revenues in "Modular buildings". It also has a "River barges" activity, which is carried out either directly or by its subsidiary TOUAX Rom. If an impairment test has to be carried out, analytical tracking enables the flows from the various activities and assets to be isolated.

Impact on the accounts of the Group

Please refer to note 4d.

Note 7 – Recognition of revenue

Recap of the situation

The Group operates and manages equipment on behalf of third parties in the context of its activities in river transport and barge leasing, shipping container leasing, modular buildings and railcars. Pools (including the Trusts and the GIE referred to in note 2) are created for this purpose, bringing together several investors, including the Group. This organization allows the pooling of revenues and expenses for the equipment grouped in a single pool.

In the "Shipping containers" activity, start-up commissions received by the TOUAX Group on the first sales of containers to the Trusts TCLRT 98 and TLRT 2001 have been used to create collateral deposits and liquidity reserves which will only be recoverable at the end of the life of the Trusts. These deposits and reserves are intended in particular to enable the Trusts to cover their debt repayments in the event that the leasing revenues redistributed by the TOUAX Group to the Trusts prove insufficient.

Principles applied under French standards

In its revenue figure the Group records the gross leasing revenues billed to its customers in respect of all the equipment managed in pools (including the Trusts and the GIE referred to in note 2).

The start-up commissions have been entered in revenues at the time of the sale of the containers.

IFRS

The substantive analysis of the management and securitization contracts has been carried out in order to validate the recognition of revenue and expenses under IFRS. The general principles of revenue recognition in IAS 18 "Revenue", reinforced by EITF interpretation 99-19 (US GAAP), result in the TOUAX Group being considered to be the principal in its relationships on the one hand with investors (pools, Trusts or GIE) and on the other hand with customers. The Group is therefore justified under IFRS, and under French standards, in recording in its income statement all of the revenue and expenses flows generated by the contracts.

The revenue recognition rules in IAS 18 "Revenue" are stricter and more precise than the French rules. Thus the economic benefits associated with the start-up commissions will only become likely when the TOUAX Group is able to recover the collateral deposits and liquidity reserves. Under these circumstances, and in accordance with IAS 18, the start-up commissions received, up to the level of the collateral deposits and liquidity reserves, do not constitute revenue. They must be deferred until the probable recovery of these deposits and liquidity reserves. The revenue recognized under French standards at the beginning of the Trusts in respect of "start-up commissions" – up to the level of the deposits and liquidity reserves – is cancelled in the IFRS accounts and is entered in the liabilities of the balance sheet in an "other non-current liabilities" account.

In the "Modular buildings" activity, the same treatment is applied under IFRS for the revenue collected on the formation of GIE Modul Finance 1 on sales of modules, for the formation of collateral deposits and reimbursable advance accounts allocated to guarantee repayment of the debts of the GIE. The revenue from sales of modules recorded under French standards at the start-up of the GIE is reversed under IFRS, up to the amount of the financial assets created to guarantee the GIE, and is entered in the liabilities of the balance sheet in an "other non-current liabilities" account. It will only be entered in the result when the associated economic benefits become probable for the Group.

Impacts on the Group accounts

Impacts of IAS 18 (€ thousands)	Balance sheet as at 01/01/2004	2004 result	Translation difference	Balance sheet as at 31/12/2004
Start-up commissions				
Leasco 1 (1)	(2,982)		217	(2,765)
Leasco 2 (2)	(2,375)		173	(2,202)
Shipping containers	(5,357)	0	390	(4,967)
Modular buildings (GIE Modul Finance I) (3)	(3,170)	(18)		(3,188)
TOTAL	**(8,527)**	**(18)**	**390**	**(8,155)**

(1) Deferred income up to the amount of the liquidity reserve ($3.8 million) formed for Trust TCLRT 98 – cf. note 23 in the notes to the consolidated financial statements.
(2) Deferred income up to the amount of the collateral deposit ($3 million) formed on the creation of Trust TLRT 2001 – cf. note 23 in the notes to the consolidated financial statements.
(3) Deferred income up to the amount of the original collateral deposit with the GIE – cf. note 23 in the notes to the consolidated financial statements.

Impact of International Accounting Standards (IFRS)

Note 8 – Employee benefits

Differences between IFRS and French standards

The work carried out on identifying and qualifying retirement schemes and similar benefits has not revealed any new obligations under the standard IAS 19 "Employee benefits" as compared to the schemes identified under French standards. The commitments recorded only relate to retirement benefits for the employees of the French companies (please refer to note 23.2 in the notes to the consolidated financial statements).

In the French accounts the provision is calculated on a partial basis. The pension commitments have been recalculated in accordance with the valuation methods of standard IAS 19 (discounting of commitments, application to all employees).

As under French standards, all of the charge for the year is recorded in the operating expenses.

No significant actuarial difference has been revealed in the calculations of the commitments as at 1 January 2004 and 31 December 2004.

Impacts on the Group accounts

The impacts of the recognition of pension commitments in accordance with IAS 19 are not significant.

Note 9 – Deferred taxes

The rules on the recognition of deferred tax in accordance with IAS 12 differ little from the rules applied by TOUAX in the consolidated accounts under French standards.

The deferred tax is never discounted in IFRS (for example, provisions for retirement and similar benefits).

Under IFRS, the tax assets and liabilities relating to a single tax entity (for example a fiscal integration group) are shown in the balance sheet after set-off. The net deferred tax assets and the net deferred tax liabilities are then presented in separate headings in the balance sheet, among the non-current assets and non-current liabilities respectively.

Taken collectively, the preceding adjustments made in the context of IFRS have a negative effect on the Group's shareholders' equity, leading initially to the recording of a deferred tax asset.

In the case of the American fiscal group (TOUAX CORP), the analysis of the potential for recovery from future profits results in no additional deferred tax asset being recorded as at 1 January 2004. The same analysis as at 31 December 2004 leads to the recognition of a deferred tax asset of €1,274,000.

For the French and Dutch fiscal integration groups, no additional net deferred tax asset has been recorded as at 1 January 2004 and 31 December 2004, in view of the low probability of recovery from future taxable profits.

4.6. Levels of segment reporting applied by the TOUAX Group

Having regard to the fundamental organizational and management structure of the TOUAX Group, the first level of segment reporting applied in accordance with IAS 14 "Segment reporting", in accordance with the information provided hitherto under French standards is based on the following four business segments:

- shipping containers,
- modular buildings,
- river barges,
- freight railcars.

The second level of segment reporting is geographic.

5. Specific report of the auditors concerning the IFRS adjusted consolidated financial statements

For the period to 31 December 2004

As requested in our capacity as auditors of TOUAX, we have conducted an audit of the consolidated financial statements of the company, adjusted in accordance with IFRS accounting standards as adopted in the European Union, for the period to 31 December 2004 (the "adjusted consolidated financial statements"), as appended to the present report.

The adjusted consolidated financial statements were drawn up under the responsibility of the Board of Directors, as part of the transition to IFRS accounting standards as adopted in the European Union for the preparation of consolidated financial statements for the 2005 financial year, on the basis of the consolidated financial statements for the period to 31 December 2004 prepared in accordance with French accounting rules and principles (the "consolidated financial statements"), which we have audited in accordance with the professional standards applicable in France. On the basis of our audit, we are expressing an unqualified opinion on these consolidated financial statements. Our duty is to express an opinion on the adjusted financial statements based on our audit.

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

In our opinion, the adjusted consolidated financial statements have been drawn up, in all significant respects, in accordance with the drafting rules described in the appended notes, which specify how the standard IFRS 1 and the other international standards adopted in the European Union have been applied and indicate the standards, interpretations, rules and accounting methods which, according to the management, should be applicable for the preparation of the consolidated financial statements for the 2005 financial year in accordance with the IFRS accounting standards as adopted in the European Union.

Without calling into question the opinion expressed above, we would draw your attention to the introductory note which sets out the reasons why the comparative information presented in the consolidated accounts for the 2005 financial year may differ from the adjusted consolidated financial statements appended to the present report.

Furthermore, we would recall that, with regard to the preparation for the transition to the IFRS accounting standards as adopted in the European Union for the preparation of the consolidated financial statements for the 2005 financial year, the adjusted consolidated accounts do not include comparative information relating to the 2003 financial year, nor all the explanatory notes required by the IFRS accounting standards, as adopted in the European Union, which would be necessary, having regard to the said standards, to give a true view of the assets, financial situation and results of all the companies included in the consolidation.

Paris and Neuilly-sur-Seine, 25 May 2005

The Auditors

DELOITTE & ASSOCIÉS
Bertrand de FLORIVAL

LEGUIDE NAÏM & ASSOCIÉS
Paul NAÏM

This document contains information which forms an integral part of the TOUAX Reference Document filed with the Autorité des Marchés Financiers on 3 June 2005. Where it is used as a Reference Document, it must be read in conjunction with the document entitled "2004 Annual Report" (Reference Document part I).

AUTORITE DES MARCHÉS FINANCIERS
AMF

The present document was filed with the Autorité des Marchés Financiers on 3 June 2005, in accordance with articles 211-1 to 211-42 of its general regulations. It may be used in connection with a financial transaction if it is accompanied by a transaction note certified by the Autorité des Marchés Financiers.

This document has been prepared for English-speaking readers. It is a translation of the original document entitled "document de référence". It is provided for information only and should not be considered as the equivalent of the original document. This document does not include the statutory company accounts which are included in the original document.

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