

Touax®

YOUR OPERATIONAL LEASING SOLUTION

2014 RESULTS

- Revenue up by 8.4%
- Operating cash flow up to €57.1m
- Net debt down by 10%
- Operating profit of €4.1m
- Reduction of net loss attributable to the Group to -€12.9m

Main figures <i>(consolidated audited data, in € million - IFRS)</i>	2014	2013	Variation 2014-2013
Revenue	378,7	349,3	8,4%
including Shipping containers	215,9	188,4	14,6%
Modular buildings	94,1	103,0	-8,6%
River barges	21,8	23,8	-8,4%
Freight railcars	47,0	35,0	34,5%
Miscellaneous and unallocated	-0,1	-0,9	
Gross operating margin - EBITDAR (1)	94,9	102,5	-7,4%
EBITDA (2)	40,0	50,9	-21,4%
Operating income	4,1	7,3	-43,9%
Profit before tax	-13,6	-13,0	5%
Consolidated net profit (loss) (Group's share)	-12,9	-15,3	-15,7%
Net earnings per share (€)	-2,19	-2,63	
Total non-current assets	542,0	562,8	-3,7%
Total assets	724,6	744,6	-2,7%
Total shareholders' equity	184,6	184,4	0,1%
Net bank borrowing (3)	358,0	399,6	-10,4%
Operating cash flow	57,1	25,3	125,7 %

(1) The EBITDAR (earnings before interest taxes depreciation and amortization and rent) calculated by the Group corresponds to the current operating income, increased by depreciation charges and provisions for capital assets and distributions to investors

(2) EBITDA: EBITDAR after deducting distributions to investors

(3) Including €188.3 million in debt without recourse in 2014

The consolidated accounts on 31 December 2014 were approved by the Managing Partners on 12 March 2015 and were audited by the statutory auditors. The audit reports are in the process of being issued.

THE AUDITED ACCOUNTS OF THE YEAR 2014

Consolidated revenue for the year 2014 increased by €29.4 million (8.4%) from €349.3 million in 2013 to €378.7 million in 2014. The increase in sales of shipping containers to customers and investors as well as the sale of railcars in the United States account for most of this variation.

The momentum of the leasing and sale of transport equipment (containers, railcars and barges) which have a positive operating result, did not offset the activity of Modular Buildings still marked by weak economic conditions in Europe. The strategy to reduce the company's own investments, the sale of non-strategic or non-leased assets and growth financing by third party investors have brought results with an increase in operating cash flows that has reduced the Group's net debt.

The decline in EBITDAR of €7.6 million (-7.4%) taking it from €102.5 million in 2013 to €94.9 million in 2014 was mainly due to the weakness of the Modular Building business and the margins on lower sales in 2014 compared to an exceptional year in 2013 in the Shipping Container business. The EBITDAR of the River Barge business activity is stable and that of the Freight Railcar business activity is increasing. The EBITDAR reflects the performance of our business activities and all the assets managed by the Group. Overall, the Group manages €1.7 billion of (patrimonial) long life assets, 41% of which are owned by the Group. At constant exchange rates, managed assets have increased by 1% compared to the end of 2013. To be noted is the increase in assets managed on behalf of third parties which increased by €149 million in 2014 and reached one billion Euros for the first time.

The EBITDA decreased by €10.9 million from €50.9 million in 2013 to €40 million in 2014. This decrease was a result of the decline in EBITDAR mentioned above and the increase in distributions to investors.

Overall, operating income decreased by €3.2 million moving from €7.3 million in 2013 to €4.1 million in 2014. This difference is explained by the decrease in EBITDA offset by a reduction of the amount of depreciation due to a lower impairment of assets in 2014 than in 2013.

The profit before tax decreased by €0.6 million from -€13 million in 2013 to -€13.6 million in 2014. The decrease in net debt and lower interest rates have reduced the weight of the Group's financial burden, which partially offset the decline in operating income.

Net loss attributable to the Group decreased by €2.4 million (-15.7%) moving from -€15.3 million in 2013 to -€12.9 million in 2014, with the burden of tax being lower in 2014.

FINANCIAL STRATEGY

The Group's financial strategy aims to continue its debt reduction in order to create shareholder value, improve its operating liquidity and increase the fleets managed for third party investors.

The Group's net banking debt decreased by €41.6 million (-10.4%) changing from €399.6 million in 2013 to €358 million in 2014, making it the second year of lower debt. The average rate of gross financial debt on 31 December 2014 stood at 3.52% compared with 3.85% at the end of December 2013. Cash-flow amounted to €79.9 million on 31 December 2014.

Banking ratios were met. Gearing with recourse (the debt/consolidated equity ratio excluding non-recourse debt) increased to 0.99 compared with an authorised amount of 1.9. Leverage with recourse (financial debt with recourse to annual EBITDA over the last 12 months) increased to 4.34 compared with an authorised amount of 4.75.

TOUAX successfully strengthened its equity in May 2014 by issuing €18 million of hybrid capital reaching the targeted objective of €50 million of hybrid capital.

The Group's free cash (cash flow from operating activities after investments and changes in working capital) continued to increase from €25.3 million at the end of 2013 to €57.1 million at the end of December 2014.

OUTLOOK

We are seeing strong momentum in the **Shipping Container** business resulting from the continued growth of world trade, a still clear demand from customers for new containers and a strong investor interest for financing these investments within a context of low interest rates and steel prices.

As regards to the **Modular Building** business we believe that we have reached a low point in 2014, but the increase in utilisation rates will necessarily involve costs relating to the preparation and reconfiguration of equipment generating an inertia in the growth of profits.

We are seeing a recovery in the construction sector mainly in Poland although our operations in France, Benelux and Spain are still being affected by the low level of construction, industry and investments being undertaken by local authorities despite major structural requirements. Germany recorded good business activity due to emergency housing requirements for foreign refugees. In Africa and South America, we are still seeing significant requirements for modular buildings, a market that we are addressing with sales only, not rental.

The **Freight Railcar** leasing business in Europe should continue to improve in 2015 with an increase in utilisation rates and should also record its first successes in Asia.

Demand for **River Barges** should remain at a high level and the Group plans to boost its investment on the American continent.

In conclusion, we expect the Modular Buildings business to remain below the break-even point while the three transport operations will be well-positioned in 2015. TOUAX will continue to grow in 2015, both strengthening its balance sheet and growing its managed assets.

UPCOMING DATES

- 14 May 2015 : Release of Q1 2015 revenue
- 11 June 2015: Shareholders' general meeting (Hotel Pullman - La Défense)

TOUAX Group leases out tangible assets (shipping-containers, modular buildings, freight railcars and river barges) on a daily basis to more than 5 000 customers throughout the world, for its own account and on behalf of third party investors. With more than €1.6 billion under management, TOUAX is one of the European leaders in the operational leasing of this type of equipment.

TOUAX is listed in Paris on NYSE EURONEXT – Euronext Paris Compartment C (Code ISIN FR0000033003) and on the CAC® Small and CAC® Mid & Small indexes and in EnterNext PEA-PME.

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