



YOUR OPERATIONAL LEASING SOLUTION

REVENUE FOR Q1 2017

- Q1 2017 revenue: €77.5 million
- Increase in leasing revenue
- Temporary drop in sales revenue
- Acquisition of a majority interest in the fleet of railcars taken over from GE Rail

Revenue by type			
<i>(Unaudited consolidated data, € thousands)</i>	Q1 2017	Q1 2016	Variation
Leasing revenue (1)	55,374	53,380	+3.7%
Sales of equipment	22,157	34,273	-35.4 %
<i>Including sales to clients</i>	16,034	24,357	-34.2 %
<i>Including sales to investors</i>	6,124	9,916	-38.3 %
Consolidated revenue	77,531	87,653	-11.6 %

(1) Leasing revenue includes ancillary services.

Consolidated revenue for the first quarter of 2017 amounted to €77.5 million (-11.6%) compared with €87.7 million in the first quarter of 2016 (-16.9% like-for-like and at constant exchange rates) due to a temporary fall in sales of equipment partly offset by an increase in the leasing business.

Leasing revenue amounted to €55.4 million up by 3.7% (-3.8% like-for-like and at constant exchange rates) due to increases in the Freight Railcars and River Barges businesses in particular.

Revenue from sales of equipment amounted to €22.2 million, down by 35.4%. This decrease resulted from lower volumes of syndications in the Shipping Containers business, and, as expected, of fewer sales of new modular buildings and used shipping containers.

The Group acquired a majority interest in the legal entity that bought the fleet from GE Rail at the end of 2015 and is therefore fully consolidated as from 1st January 2017. The Freight Railcars business became the Group's main business in terms of capital employed, ahead of, in order of importance, the Modular Buildings, River Barges and Shipping Containers businesses.

ANALYSIS OF THE CONTRIBUTIONS OF THE GROUP'S 4 DIVISIONS

Revenue by division			
<i>(Unaudited consolidated data, € thousands)</i>	Q1 2017	Q1 2016	Variation
Leasing revenue (1)	11,929	9,102	+31.1%
Sales of equipment	595	174	+241.1 %
<i>Including sales to clients</i>	431	174	
<i>Including sales to investors</i>	164		
FREIGHT RAILCARS	12,524	9,276	+35 %
Leasing revenue (1)	16,899	17,451	-3.2%
Sales of equipment	8,077	13,751	-41.3 %
<i>Including sales to clients</i>	8,077	13,751	
MODULAR BUILDINGS	24,976	31,202	-20 %
Leasing revenue (1)	3,699	3,090	+19.7%
Sales of equipment	6	918	
<i>Including sales to clients</i>	6	918	
RIVER BARGES	3,705	4,008	-7.5 %
Leasing revenue (1)	22,824	23,828	-4.2 %
Sales of equipment	13,480	19,429	-30.6 %
<i>Including sales to clients</i>	7,520	9,513	
<i>Including sales to investors</i>	5,960	9,916	
SHIPPING CONTAINERS	36 304	43,257	-16.1 %
Miscellaneous and unallocated	21	(90)	
Consolidated revenue	77,531	87,653	-11.6 %

(1) Leasing revenue includes ancillary services.

FREIGHT RAILCARS: Revenue from the Freight Railcars Division increased by 35% to €12.5 million with the acquisition of a majority interest in the fleet taken over from GE Rail which was fully consolidated in the Group's accounts. Like-for-like and at constant exchange rates, the division's leasing business remained stable. Sales of railcars in Q1 2017 merely amounted to the sale of a few used railcars.

The Group manages a diversified range of about 10,800 railcars freight railcars: intermodal railcars (transport of containers and swap bodies), car-carrier railcars, coil carriers (transport of steel coils), sliding-wall wagons (transport of palletized products) and hopper railcars and powder railcars for transporting heavy goods (cement, cereals etc.). TOUAX RAIL mainly offers its leasing services in Europe via offices in Ireland (Western Europe Region) completed by a network of agents covering the whole of Europe including the United Kingdom, as well as in Asia in partnership with a leading local player.

MODULAR BUILDINGS: The revenue of the Modular Buildings division decreased by 20% to €25 million compared to Q1 2016. Sales of equipment fell to €8.1 million as anticipated, due to the slowdown in the sales market for refugees in Germany. In view of the increase of utilization rates and/or leasing rates in France and Poland in particular, pure leasing revenue (excluding ancillary services) was up by 3%. The leasing revenue amounted €16.9 million, slightly down due to lower ancillary services in Germany.

RIVER BARGES: The revenue of the River Barges Division amounted to €3.7 million, down 7.5% due to the lack of sales in the first quarter of 2017 compared to the first quarter of 2016. The leasing business increased by 19.7% with good business on the Rhine, which partly offset the fall in sales.

SHIPPING CONTAINERS: The division's revenue was down 16.1% at €36.3 million compared to €43.3 million in Q1 2016 (-18.9% in constant dollars). This decline was mainly due to lower volumes of sales of used containers to our customers as well as of fewer syndications compared to Q1 2016. The leasing business was down slightly at €22.8 million due to the decline in prices recorded last year. The utilization rate at the end of March 2017 was over 95%. The sharp increase in utilization rates and especially in leasing rates since the start of the year enables us to anticipate a positive impact on future revenue and for investors in equipment.

OUTLOOK

The outlook for the divisions remains the same with the leasing market improving for Freight Railcars and still well oriented for the Modular Buildings business, which was marked by the start of the recovery in France driven by infrastructure projects of the Greater Paris. Business is improving for the River Barges Division in Europe and South America, and there are again sharp increases in leasing prices for Shipping Containers.

Sales revenue should rise during 2017 in view of the expected increase in freight railcars syndications to third-party investors.

In 2017, the Group will continue to implement a positive free cash flow strategy for stabilising its own assets and increasing its assets under management for third parties. As stated previously, the Group is continuing its strategic thinking on optimizing the allocation of its capital and its detailed review of its portfolio of assets and businesses. This may lead to the sale of some assets, eventually significant, in the short or medium term.

UPCOMING EVENTS

- 21 June 2017: Combined shareholders meeting (Hôtel Hilton La Défense - CNIT)
- 31 August 2017: Revenue and income at 30 June 2017
- 1st September 2017: Conference call
- 4 September 2017: Presentation to financial investors

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 almost €1.8 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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