PRESS RELEASE

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Touax®

YOUR OPERATIONAL LEASING SOLUTION

2017 RESULTS

- Current operating income up 34% to €7.6 million
- Net income includes losses from the discontinued operations and the depreciation of the goodwill of the Moroccan activity
- Positive net income from retained operations excluding modular buildings
- Debt reduction of €155.7 million, down by 46%

Main figures *(in € million - IFRS)*	**2017**	2016	Variation 2017-2016
Revenue	**211.9**	**232,7**	**-8.9 %**
including Freight railcars	79.0	48.9	61.6 %
River barges	14.6	13.9	5 %
Shipping containers	109.4	162.9	-32.9 %
Miscellaneous and unallocated	9.0	7.0	28.9 %
Gross operating margin - EBITDAR (1)	88.7	81.1	€+7.6 m
EBITDA (2)	26.9	23.2	€+3.6 m
Current operating income	7.6	5.6	€+2.0 m
Profit before tax	-8.5	-5.6	€-2.9 m
Consolidated net profit (loss) (Group's share)	**-18.0**	**-11.6**	**€-6.5 m**
Including income from retained operations excluding modular buildings	0.6	0.6	-
Including income from retained operations of the modular buildings	-5.9	-4.5	€-1.4 m
Including income from discontinued operations	-12.7	-7.7	€-5 m
Net earnings per share (€)	-2.58	-1.82	
Total non-current assets	307.8	503.9	€-196 m
Total assets	398.2	633.3	€-235.1 m
Total shareholders' equity	136.7	156.8	€-20.1 m
Net bank borrowing (3)	181.1	336.8	€-155.7 m
Operating cash flow	31.1	30.2	€+0.9 m
Loan to Value	54 %	60 %	

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

(2) EBITDA corresponds to the EBITDAR (€88.7 million) after deducting distributions to investors (€61.8 million)

(3) Including €132.5 million in non recourse debts at the end of December 2017

The consolidated accounts were approved by the Managing Partners on 27 March 2018 and were submitted to the Supervisory Board. The audit procedures on the consolidated accounts have been completed. The audit reports are in the process of being issued.

HIGHLIGHTS 2017

The year 2017 marks a refocusing on leasing of transportation equipment (freight railcars, river barges and shipping containers) with the sale of modular buildings activities in the United States on 2 November 2017 and in Europe on 8 December 2017. The sale of these activities enabled the Group to significantly reduce its debt down by 46%.

The profitability of leased transportation equipment rose in the year 2017 with increase in demand and utilization rates. This increase results in a decrease in operating expenses, particularly for storage.

The Modular Building activity in Morocco in partnership with a specialised investment fund in Africa has continued but goodwill has been impaired at 100%.

2017 RESULTS

Consolidated revenues for the year 2017 amounted to €211.9 million compared to €232.7 million in 2016, a decrease of 8.9%, due to a drop in sales of Shipping Containers, in part offset by higher sales of Freight Railcars.

EBITDAR reflects the performance of our business activities and all the assets managed by the Group. EBITDAR increased by €7.6 million to reach €88.7 million as a result of the improved profitability of equipment due to higher utilization rates.

EBITDA also increased by €3.6 million from €23.2 million in 2016 to €26.9 million in 2017, reflecting an increase in the number of owned railcars.

As a result, current operating income is up by 34% to €7.6 million, mainly driven by Freight Railcars and River Barges, with lower volumes in Shipping Containers.

Current income records the total impairment of goodwill (- €8.3 million) on the Modular Buildings activity in Morocco.

Net income for the year 2017 amounted to -€18 million, including a loss of €12.7 million from discontinued operations, a loss of €5.9 million from the modular buildings activity in Morocco (including -€4.2 million of the Group's share of impairment of goodwill) and a profit of €0.5 million from retained operations excluding Morocco.

Overall, the Group manages €1.2 billion of property assets, 33% of which are owned by the Group. TOUAX records more owned equipment, particularly in the Freight Railcars business.

The Group's net bank debt fell to €181.1 million compared to €336.8 million at the end of December 2016. Financial ratios improved with a Loan to Value ratio of 54% compared to 60% and a gearing (net debt/equity) of 1.32 compared to 2.15.

OUTLOOK

The markets for the three transportation equipment leasing businesses are well-oriented.

After a growth of 2.5% in European GDP in 2017, the economic climate continues to improve in 2018, creating an increase in rail transport needs, and therefore a demand for **freight railcars**. As the 4th biggest leaser in Europe, and the 2nd biggest provider of intermodal railcars for container transport, TOUAX Rail is well-positioned and expects higher leasing prices.

Leasing of **river barges** in Europe is still well oriented. Requirements for river barges are significant in France with infrastructure projects in Greater Paris and European growth is contributing to demand on the Rhine and the Danube. Only the South American market remains in overcapacity.

With growth in global GDP forecast to be 3.9% in 2018, demand for **shipping containers** is expected to remain strong and Touax Container is entering a new growth cycle of its fleet under management, allowing to resume its investments in 2018.

UPCOMING DATES

- 29 March 2018: Conference call for investors
- 15 May 2018: Q1 2018 revenue
- 20 June 2018: Shareholders' general meeting (Hotel Hilton La Défense)
- 6 September 2018: Half-year revenue and results

TOUAX Group leases out tangible assets (shipping-containers, 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 €1.2 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 EURONEXT – Euronext Paris Compartment C (Code ISIN FR0000033003) and on the CAC® Small and CAC® Mid & Small indexes and in EnterNext PEA-PME.

For more information: www.touax.com

Contacts:

TOUAX
Fabrice & Raphaël WALEWSKI
Managing Partners
touax@touax.com
www.touax.com
Tel: +33 (0)1 46 96 18 00

ACTIFIN
Ghislaine GASPARETTO
ggasparetto@actifin.fr

Tel: +33 (0)1 56 88 11 11