



## 2004 Results

Plaza Athénée, March 29th 2005



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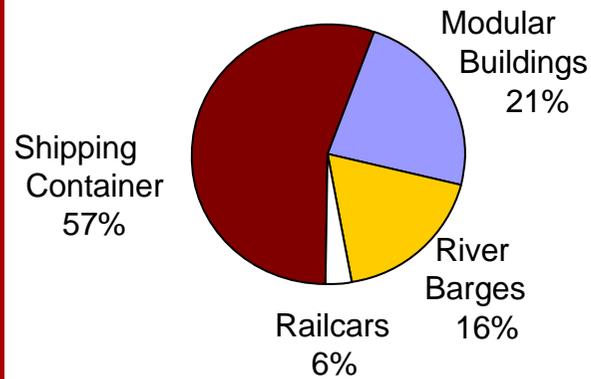
# Presentation of the company

# The TOUAX Group

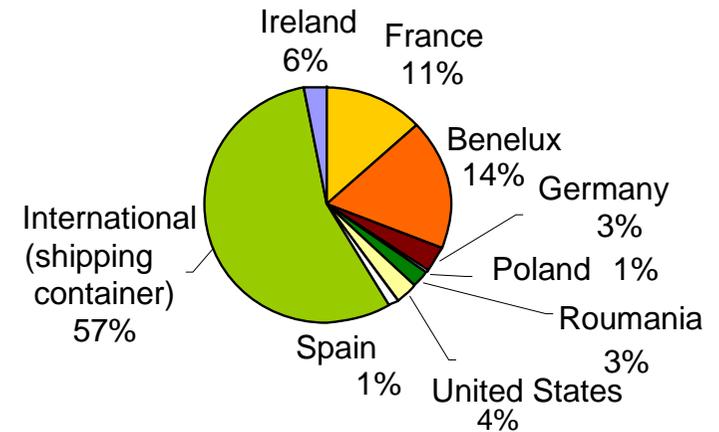
Specialist provider of operational leasing  
Services for companies



**BREAKDOWN OF REVENUES 2004  
BY ACTIVITY**



**BREAKDOWN OF REVENUES 2004  
BY GEOGRAPHIC REGION**



**TOTAL REVENUES FOR 2004 : 181 M€**

# One business: leasing

Touax's growth is based on a simple concept :



- **Companies are increasingly outsourcing their non-strategic assets thanks to** operational leasing, financial leasing, sale & leaseback transactions
- **Operational leasing responds to this need by offering :**
  - a flexible service (short- to long-term contracts)
  - modern equipment in good condition (continuously renewed)
  - rapid availability

# Leasing : four products



- **Shipping containers :**

continuous growth in international commerce and global trade flows

- **Modular buildings :**

demand for modular buildings for temporary or permanent use linked to low cost, fast delivery of office space and flexibility (offices, classrooms, hospitals, etc.)

- **River barges :**

economic and ecological benefits. Tendency to renew an ageing fleet is in our favour for leasing and for long term contract.

- **Freight railcars:**

Strong potential following deregulation of the European market on 15 March 2003. Trend towards outsourcing ownership of railcars and need to renew an ageing fleet in Europe.



# Four products: one strategy



## ☛ Rent of Standardized mobile equipment :

- low risk of obsolescence
- very long life (15 to 50 years)
- High residual market value and disposal liquidity in a global market
- mobility allows optimization of the utilization rate
- long-term contracts ensure recurring cash flow

## ☛ World-wide market / strong international presence :

- 61% of the turnover in USD, 39% in Euros
- a team of almost 300 professionals in 11 countries (present in Europe, America and Asia)



# Highlights of 2004



# Shipping containers



## Services for shipping lines



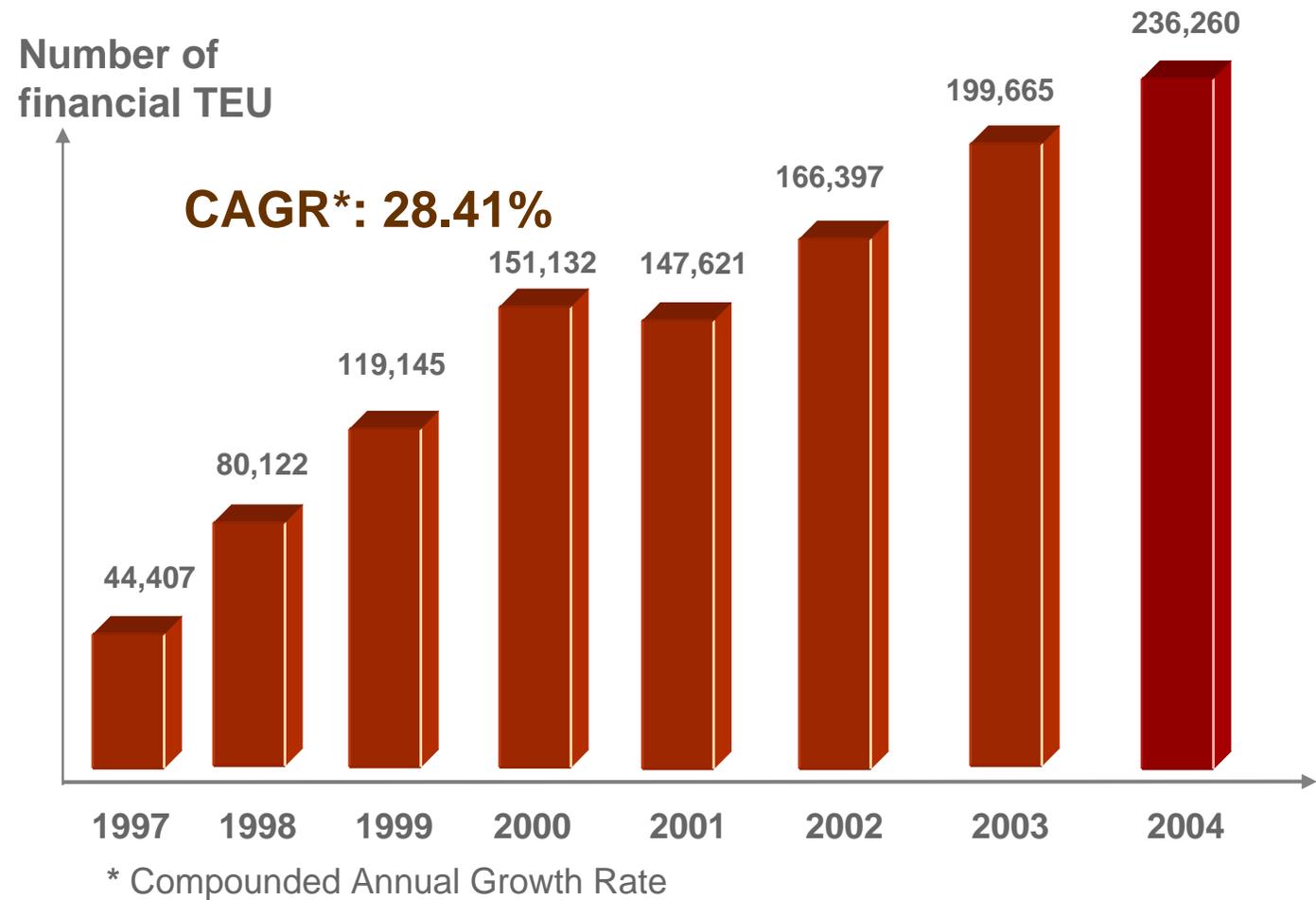
- 2nd in continental Europe and 10th in the world (source: Containerization International)
- Leasing of standard dry containers (20' and 40'), mainly under long-term contracts (82% to 3/5 years at the end of December 2004)
- Established in 40 countries (8 branches, 4 offices and 150 depots)
- More than 100 shipping lines use our services, 22 of which are in the top 25 (Maersk lines, Evergreen, MSC, P&O Nedlloyd, China Shipping, etc.).



# Shipping containers



## Growth of the container fleet





# Shipping containers



## Highlights of 1st half 2004



- The World Trade growth (source WTO).

2000	2001	2002	2003	2004	Average rate 1995/2003
+11%	-1%	+2.5%	+4.5%	+8.5%	+5.5%

- Rise in the average utilization rate (88.3 % in 2003; 93,49% in 2004)
- Firm orders for new equipment worth a total USD 68 millions leased in 2004.
- Wide Asian demand (China)



# Modular buildings

Services for industry / local authorities /  
construction & public works

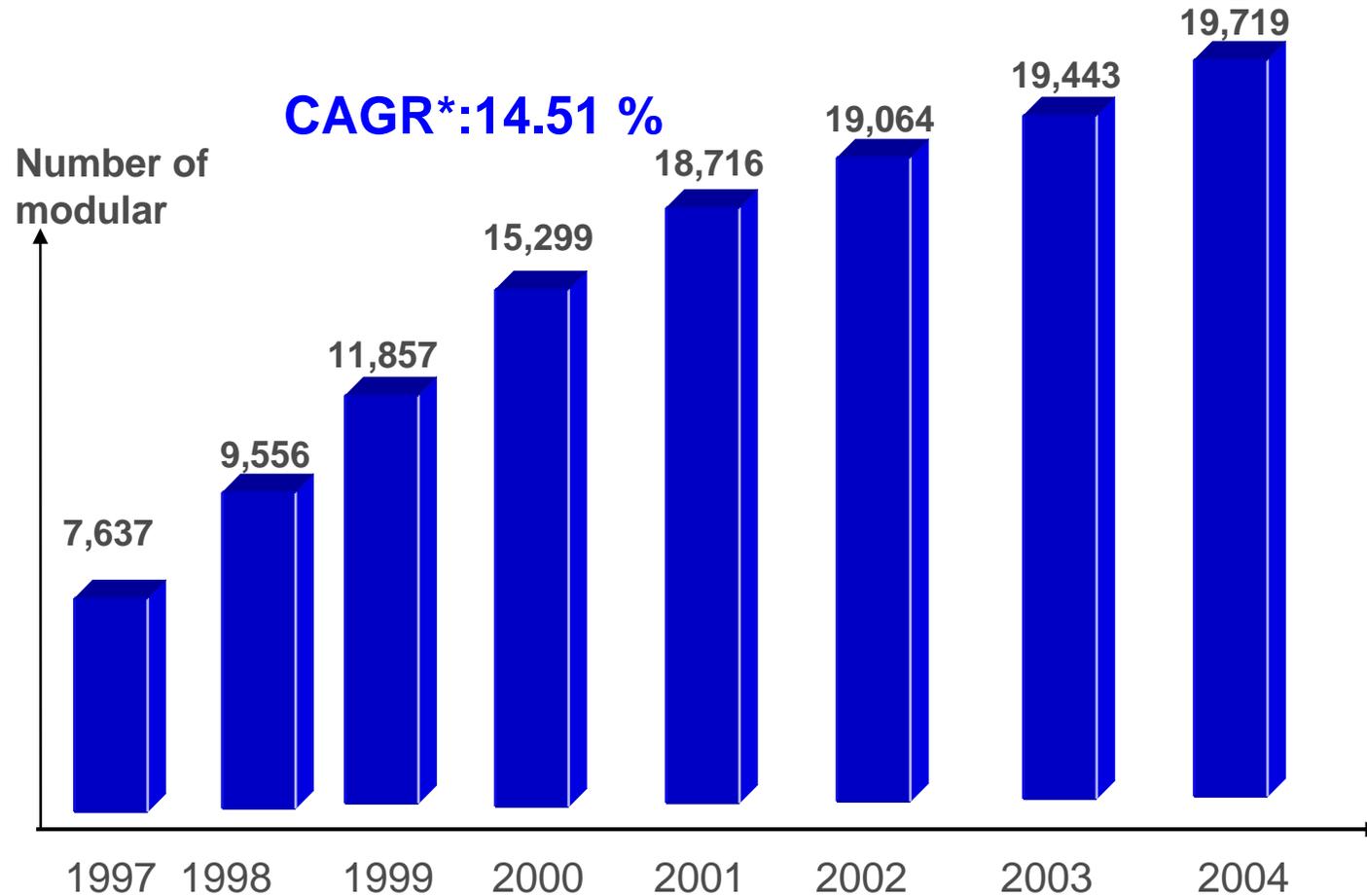


- 3rd largest fleet in Europe and 5th largest in the world (source: TOUAX)
- Activity : leasing, lease-purchase, sale
- Standardized equipment for varied uses (offices, schools, hospitals, laboratories, storage, etc.)
- Touax operates in a range of sectors in Europe and the United States :
  - Industry (ST Microélectronique, British Petroleum, Chemins de fer nationaux allemands, Madrid's Health Institut, etc.)
  - Central/local government (regional authorities, municipalities, etc.)
  - Construction & public works (Bouygues, FCC, Hoechstief, etc).



# Modular buildings

## Growth of the modular fleet



\*Compounded Annual Growth Rate



# Modular buildings



## Highlights of 2004



- Average utilization rate 74% in 2004 (versus 75% in 2003)
- Revenues down compared to 2003 (-€3.2 million), as a result of a decrease in operating incomes after distribution to investors (-€ 4.3 million), following a decrease in leasing prices (-12%).
- **In Europe** : 88% of the fleet
  - Weakness of the industrial sector : low leasing prices
  - Stability in Benelux in a difficult tariff context
  - Significant impact du to the decrease in rental prices and the utilization rate in France
  - Increase average utilization rate in Germany (+€ 2.5%)
  - Spain and Poland, are very dynamic.
- **USA – Florida, Georgia** : 12% of the fleet
  - Recovery of utilization rate (75%) and rental prices in USA (+20% from the beginning of 4th quarter in 2004).



# River barges

## Services for industry

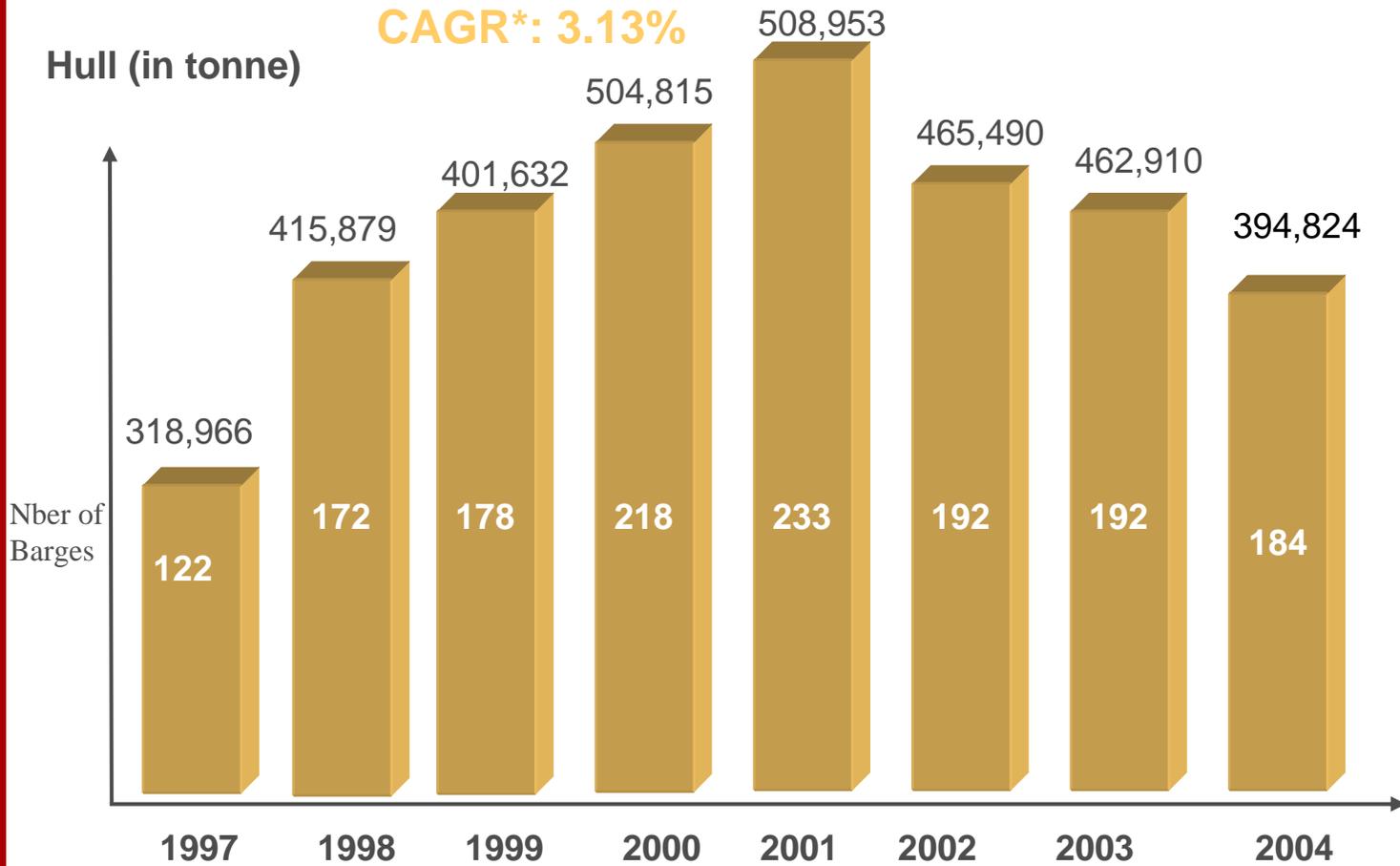


- 1st barge fleet in Europe for “dry” bulk goods (coal, cereals, minerals, fertilizer, etc.) – source: Touax
- Main activities: leasing, transport, chartering, storage..
- Area of operation :
  - Europe (Rhine, Main, Meuse, Danube, Seine, Rhone, Garonne)
  - United States (Mississippi)
- Services for large industrial and transport operators (Cargill, Dreyfus, Lafarge, Electrabel, DSM, CFT, Miller, etc.)



# River barges

## Trend in barge fleet



\*Compounded Annual Growth Rate



# River barges

## Highlights of 2004



- Continuation of fleet reorganisation and repositioning of the activity

- Leasing (60 % of the fleet)

- **In France - Seine, Rhone, Garonne** : barge leasing business stable (long- term contracts); utilization rate over 95%.

- **In USA - Mississippi** : long term lease contracts at variable rate for barges a recovery of the business during the 2nd half year 2004.

- Transport, storage et chartering (40% of the fleet)

### In Benelux and in Romania – Rhine, Main, Danube

- Stability of bulk transport on the Rhine – Sale of Eurokor Barging BVBA in 2003
- Evolution of the transport of containers by river barges on the Rhine
- Rise of the trafic in the Danube (normal weather conditions ).

# Railcars

## Services for industry and railway networks



- 2nd largest lessor of intermodal railcars
- 7th lessor of hopper cars in USA with a partnership CFCL
- Long-term leasing of
  - container railcars
  - hopper cars and dry bulk goods cars for the transporting of cement and cereals
  - Average term of existing lease contracts > 5 years
- Customers in Europe and the USA :
  - railway networks and subsidiaries (SNCF, SNCB, CFF, privates operators etc.)
  - Clients include large industrial group (Cargill, Lafarge, US Salt, etc)

# Railcars

## Highlights of 2004



- Fleet at 31/12/ 2004 : 2 668 railcars compared to 1 736 railcars at 31/12/2003
- Utilization rate of the Touax fleet near 99%
- Sale of 66 PD cars (transport of fertilizer) end of May 2004
- 750 new intermodal railcars ordered and 300 secondhand intermodal railcars.



## 2004 Results and Financing strategy



# Comparative results

## Analytical income statement

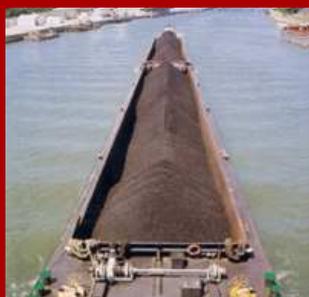


In thousands of euros	2004	2003	%
<b>Total revenues</b>	<b>180,583</b>	<b>167,769</b>	<b>8%</b>
Costs of sales	- 65,135	- 55,676	17%
Operating expenses	-55,131	- 56,308	-1%
General expenses and overheads	-13,375	-14,992	-9%
Capital gains on disposal of assets *	4,547	2,290	99%
<b>EBITDA before distribution to investors</b>	<b>51,489</b>	<b>43,083</b>	<b>20%</b>
Depreciation and amortization	-6,237	-8,088	-23%
<b>Operating income</b>	<b>45,252</b>	<b>34,995</b>	<b>29%</b>
Distribution to investors	- 36,862	- 30,880	19%
Financial result	- 3,712	- 3,047	22%
<b>Current income before tax</b>	<b>4,678</b>	<b>1,068</b>	<b>338%</b>
Income tax	-1,611	2,811	-157%
Amortization of goodwill	-237	-1,201	-80%
<b>Net income from consolidated companies</b>	<b>2,831</b>	<b>2,678</b>	<b>6%</b>
Minority part	386	-109	-5%
<b>Net income – Group share</b>	<b>3,217</b>	<b>2,569</b>	<b>25%</b>

\* Disposals, which are part of the Group's ordinary leasing activity, are included in the operating income

# Comparative results

## Breakdown of EBITDA by activity



In thousands of euros	2004	2003	%
Shipping containers	37,038	30,017	23.3%
Modular buildings	9,742	11,569	-15.8%
River barges	3,751	2,604	44%
Railcars	3,952	1,850	113.6%
Other (overheads)	-2,994	- 2,956	1,3%
<b>EBITDA before distribution to investors</b>	<b>51,489</b>	<b>43,084</b>	<b>19.5%</b>
Distributions to investors	-36,862	-30,880	19%
<b>EBITDA after distribution to investors</b>	<b>14,627</b>	<b>12,204</b>	<b>19.8%</b>



# 2004 Results



## Performance evolution

In thousands of euros	2004	2003
EBITDA after distribution to investors	14,627	12,204
Gross fixed assets	124,674	139,999
<b>Return on fixed assets (ROFA*)</b>	<b>11.7%</b>	<b>8.7%</b>

\*return on fixed assets

### The EBITDA increase is due to :

- The increase of revenues (8%) ;
- The contribution of surplus-values on sales;
- The decrease of general and central expenses and overheads (-9%)

The capital gain recorded by a lessor on disposals of equipment are recurrent. Over the last ten years, the capital gains are of an average €2,5 M per year.



# 2004 Results



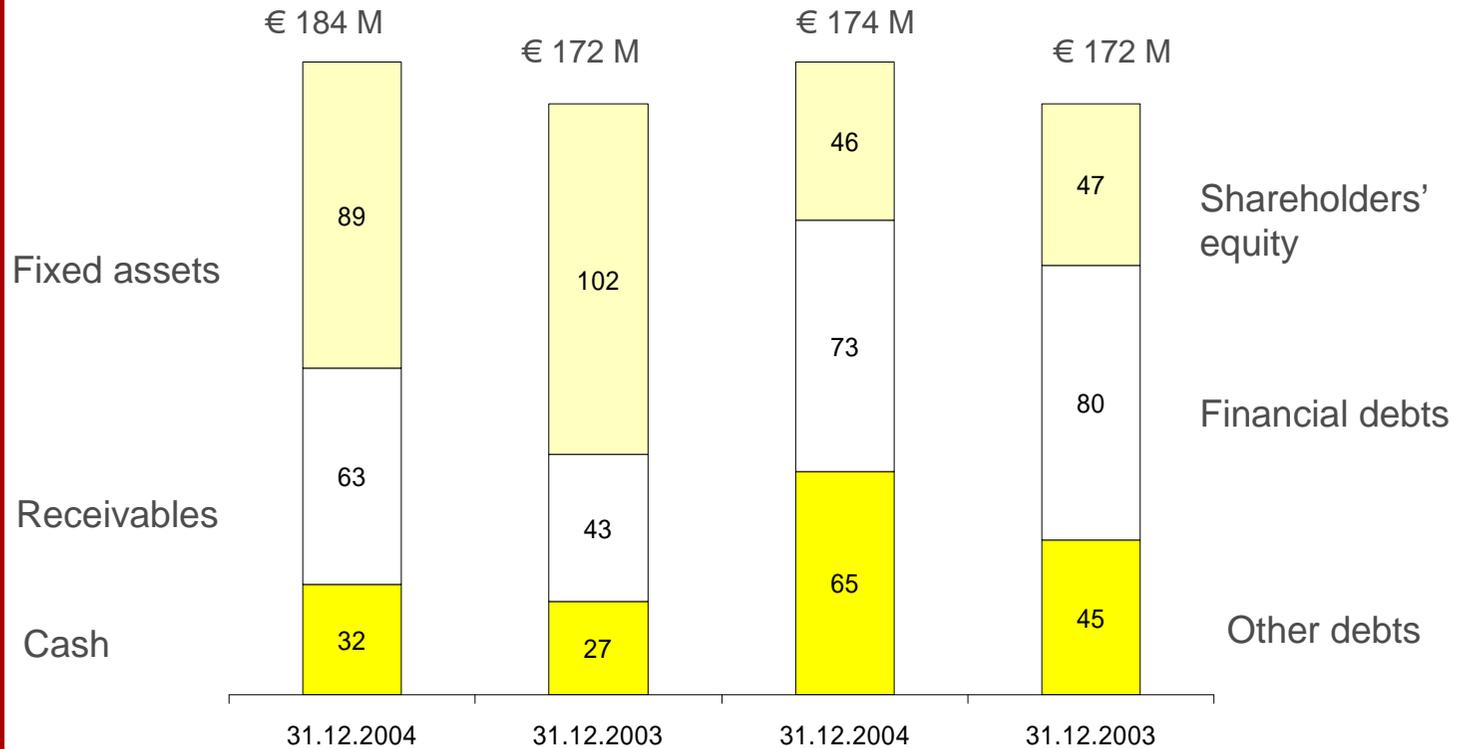
## Performance trend

Return on gross fixed assets (ROFA*) excluding central costs	2004	2003
Shipping containers	24.0%	15.4%
Modular buildings	10.0%	11.9%
River barges	9%	5.6%
Railcars	33%	11.9%
<b>ROFA excluding central costs</b>	<b>14.0%</b>	<b>10.8%</b>
<b>ROFA including central costs</b>	<b>11.7%</b>	<b>8.7%</b>

\*return on fixed assets

# Comparative balance sheets

Simplified balance sheet (in € m)





# Financing strategy



## Management of the Group's debt

- Net financial debt down from € 52 M at 31/12/2003 to € 40 M at 31/12/2004.
- Improvement in ratio of net financial debt to Group equity (gearing) to 0.87 at 31/12/2004 versus 1.12 at 31/12/2003.
- Ratio of net financial debt to Group EBITDA after distribution to investors (leverage) at 31/12/2004 stands to 2.77 versus 4.28 at 31/12/2003.
- A total of € 35M non recourse credit facilities finalized to finance shipping containers and railcar activities. The outstanding under the two credit lines at 31/12/2004: € 2.3 M included in financial debt
- Forecast a small increase in the net financial debt as of end of June 2005 to finance the investments related to the Group's growth.



# Financing strategy



## Group financing

	Value	%	Average rate	% variable rate
Short-term credit	29.4M€	42%	3.28%	100%
Medium and long-term credit	42.2M€	58%	4.95%	57%

- Continuation of the consolidation of the overall Bankpool
- 11 % of the Group's debt is in US dollars
- Scheduled for repayment of medium- and long-term debt of € 14.4 M in 2005 (including € 6.1 million as yet unutilized facilities for long-term drawing)
- € 19,8 M of short-term debt relates to 18 months to 4 years revolving credit lines, € 5.8 million of which expire in 2005.
- € 9.6M of short-term is in the form of annually renewable credit lines, almost all has been already renewed until 2005.
- The Group did not enter into hedging transactions during 2004, and considers the distribution of the debt 40% at fixed rate 60% at variable rate satisfactory.
- To meet its theoretical commitments in 2005 amounting to around € 27 M (including € 3million of estimated financial charges), the Group has cash flow resources (€ 29.1 million over the last three years and € 346 million at 31/12/04 and € 20 million of bank lines.

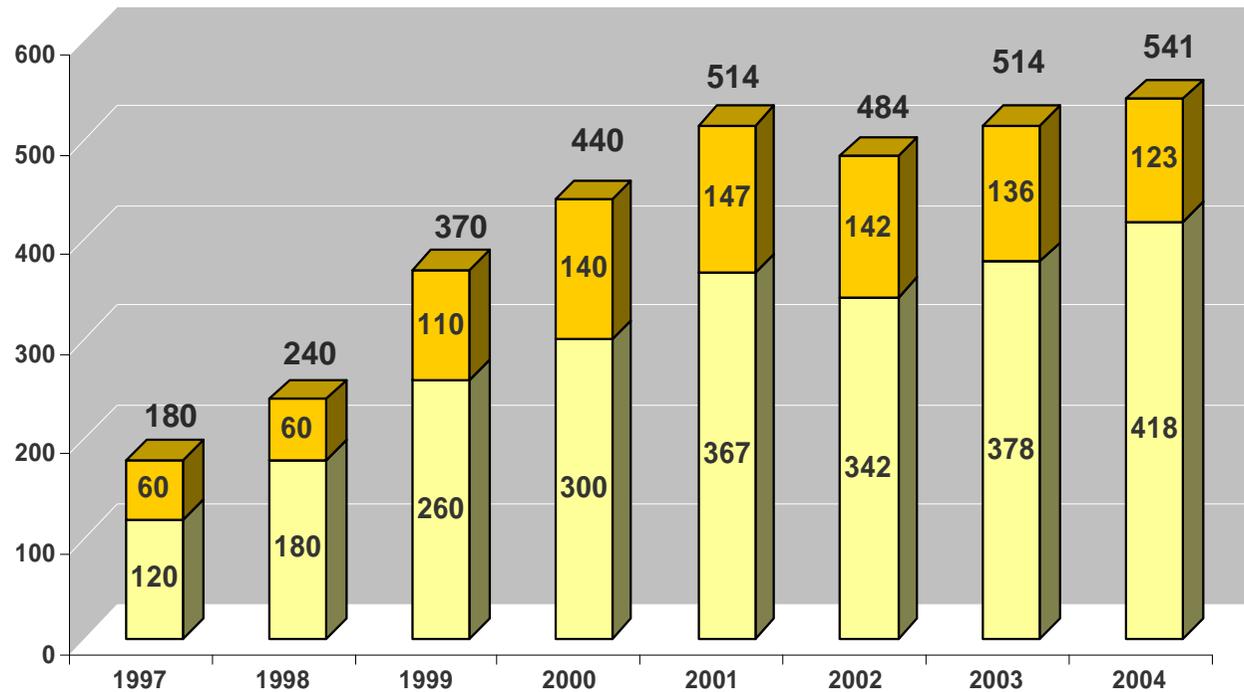


# Financing strategy



## Breakdown of gross tangible assets

- Equipment owned by the Group
- Equipment owned by investors



More than the half of fixed assets managed by the Group are recorded in us dollar

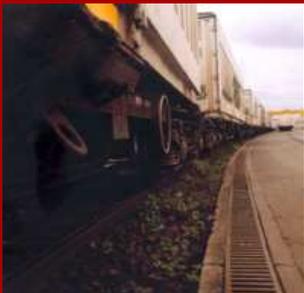


# Financing strategy



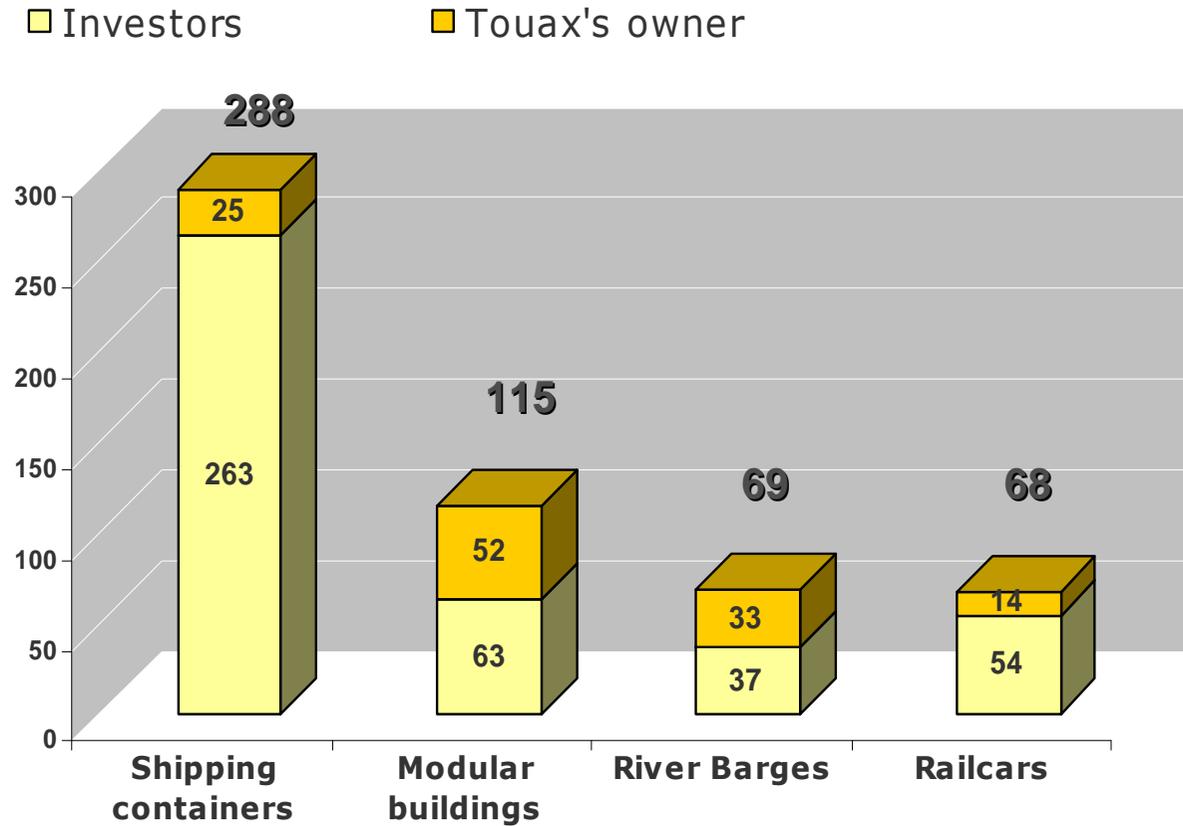
## Management on behalf of third parties

- 77 % of managed assets belong to third-party investors
- Of the € 418 million of assets held by third-party investors, 27% form a part of securitization programs and 73% are management programs
- In December 2004 the Group successfully closed the trust 95 with the sale of the trust's assets to a group of new investors. Those was no impact on the Group, confirming the non-recourse nature of the securitization and management programs.
- Extension of our investors base (European, American, Asian)
- The Group has successfully concluded a € 100 million worth of management programs for 2004 in shipping container, modular building and railcar activities enabling it to finance its growth with only limited recourse to debt.



# Financing strategy

## Material distribution by activity



More than the half of assets managed by the group are recorded in US dollar



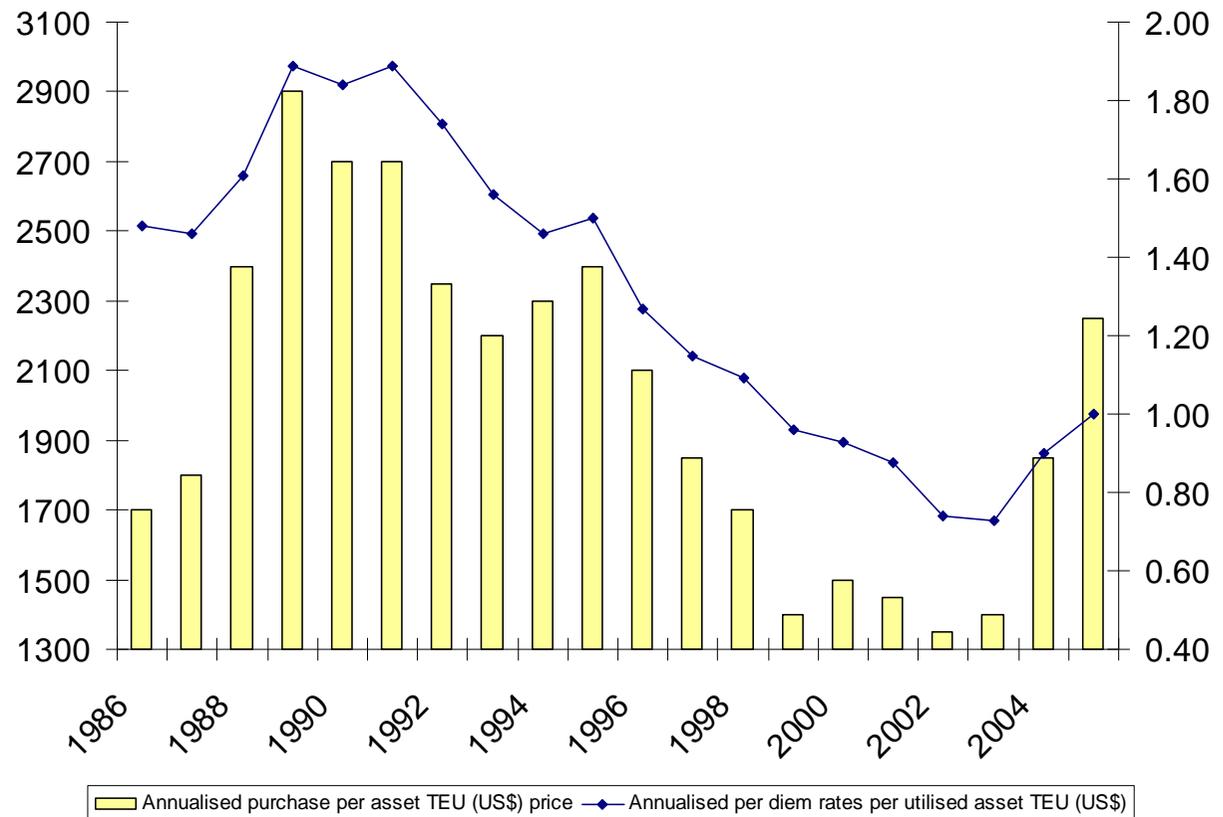
# 5-year Outlook from 2005

# Strategies and outlook

## Shipping containers



Example of connection between purchase costs of shipping containers and leasing prices



# Strategies and outlook



## Shipping containers

The growth of maritime transport in 2004 is favourable to leasing

	1999	2000	2001	2002	2003	2004 Estimated
Containerized traffic	+10%	+11%	+2%	+10%	+10%	+10%
Fleet of container carriers	+4%	+8%	+8%	+8%	+7%	+8%
<b>Balance</b>	<b>+6%</b>	<b>+3%</b>	<b>-6%</b>	<b>+2%</b>	<b>+3%</b>	<b>+2%</b>

Source : Clarkson Research Studies – July 2004

### 2005 Outlook

- Continued investment under long-term contracts
- Planned investment program exceed \$ 100.000.000

### 5-year outlook

- Reach a fleet size > 500.000 TEU (5% global market share) and 10% market share for new leasing equipment
- Achieve economies of scale





# Strategies and outlook



## Modular buildings

### 2005 Outlook

#### In Europe:

- Optimization of operating costs and utilization rates
- Loss in France but recovery on utilization rates and lease prices with a real impact for the second half 2005
- Sustained rental activity in Spain, Poland, Benelux and Deutschland
- Development of management on behalf of third parties
- Recovery investments

#### In the USA (Floride, Géorgie)

- Significant improvement due to increase in utilization rates and price rise
- Recovery in investments

### 5-year outlook

#### In Europe:

- Market share target of 10% (5% en 2004) around 50,000 modules
- Development of long-term lease contracts and sales

#### In the USA

- Development in the south-east of the USA
- Positioning in long-term contracts

# Strategies and outlook



## River Barges



### 2005 Outlook

- Favorable trend in spite of negative impact of oil price
- Leasing business stable in Europe and rising in the USA
- Transport activity stable in the Rhine (bulk and containers) and in improvement on the Danube (new contract Lafarge)

### 5-year outlook

- Positioning in and development of long-term transport and lease contracts to benefit from the on going trend for externalization and replacement of the existing fleet



# Strategies and outlook



## Railcars

### 2005 Outlook

- Continuation of investments under long-term contracts in Europe and the USA for a minimum of € 30 M

### 5-year outlook

- Reach a fleet size in excess of 10,000 railcars
- Consolidate our position as 2nd largest European lessor of intermodal railcars



# Strategies and outlook



## Outlook for results 2005

- **2005 revenues +5%** (subject to the evolution of American dollar)
- **2005 net income** increase proportionnal to the turnover subject to the evolution of overall economic situation.



# Touax and the stock market



# Touax and the stock market



Base exchange 100 from Touax (FR) in EUR at 23/03/05



Source Euronext



Member of NextPrime quality segment of Euronext  
Code ISIN : FR0000033003



# Touax and the stock market



## Stock market data

	2004	2003	2002	2001	2000
Number of share in thousands	2,838	2,838	2,838	2,838	2,365
Market capitalization (in € m)	58.47	42.43	34.99	51.25	77.81
Consolidated shareholders' equity (€ m)	46.30	46.76	51.31	56.12	42.49
Highest price (€)	21.20	16.75	19.50	27.44	38.99
Lowest price (€)	14.55	9.80	11.00	14.80	25.50
Average daily volume (in number of shares)	1,038	764	364	639	1,777
Earning per Share (€)	1,13	0.91	0.89	1.03	0.85
P/E	18.23	16.43	13.85	17.53	38.47
Global distribution per share	0.6	0.725	0.9	0.770	1.029
Overall yield of the stock	2.91%*	6.02%	7.30%	4.31%	3.13%
Closing price	20.60	14.95	12.33	18.06	32.90

\* The overall yield of the stock calculation is based on a gross annual global distribution of € 0.6 per share.



# Touax and the stock market



## A yield stock

### ● A policy of regular dividend distribution :

- 1998 : € 1.42 million
- 1999 : € 1.52 million
- 2000 : € 1.62 million
- 2001 : € 1.70 million
- 2002 : € 1.70 million
- 2003 : € 1.70 million
- 2004 : € 1.70 million \*

### ● Frequent distribution of free shares :

- 1990 : 1 new share for 3 old shares
- 1992 : 1 for 3
- 1995 : 1 for 2
- 2001 : 1 for 5

\* subject to general meeting approval fixed to 28<sup>th</sup> june 2005.



# Touax and the stock market



## Stock market data

- **Security:**

Recurring cash flows linked to the standardization and long life of the equipment, enabling it to retain high market values.

- **Internationalization**

Allows better spread of geographic and currency risks

- **Diversification:**

Allows better spread of sector and market risks

- **Attractive valuation :**

A yield stock based on tangible assets.



## 2004 Results

Plaza Athénée, march 29th 2005