



Half-year report

June 30, 2017

The present half-year financial report has been drawn up in accordance with Article L451-1-2-III of the French Monetary and Financial Code and Articles 222-4 and 222-6 of the General Regulations of the French Financial Market Authority (AMF).

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1. HALF-YEAR PROGRESS REPORT ON THE INTERIM FINANCIAL STATEMENTS TO JUNE 30, 2017

Preliminary note:

On 3 July 2017, TOUAX announced the intended sale of all shares held in Touax Solutions Modulaires SAS. Thus, the modular division operating in Europe would be taken over by a fund company managed by TDR Capital LLP.

TDR Capital manages funds with a majority shareholding in Algeco. TDR Capital and TOUAX aim to close the transaction in the 2nd half of 2017, following the information/consultation of employee representatives and subject to receipt of the necessary approvals.

This transaction will strengthen the balance sheet and the financial capacity of our Group. It is fully in line with our strategic direction of concentrating and further developing the leasing of transport equipment (railcars, barges and containers) driven by the continued growth of world trade.

As regards its other modular activities outside Europe, TOUAX has also signed a mandate to sell its activities in the United States and intends to expand its activities in Africa (with its subsidiary 51% owned by TOUAX and 49% by a private equity firm).

In accordance with IFRS 5 (as of 30 June 2017), the Europe and US modular buildings activity is presented as discontinued operations.

In practice, revenues and expenses have been treated as follows:

- The contribution to each line of the TOUAX consolidated income statement is grouped under "Net income from discontinued operations" over the periods presented;
- In accordance with IFRS 5, these restatements are applied to all periods presented in order to make the information consistent.

In addition, the assets and liabilities of discontinued operations are grouped together under a single line of assets and liabilities for the period ended 30 June 2017.

1.1. KEY FIGURES

The tables below show extracts from the income statements, statements of financial position and cash flow statements from the condensed consolidated financial statements for the six-month periods to June 30, 2017 and June 30, 2016 and full-year 2016.

The financial information given below must be understood in the light of the condensed consolidated financial statements and the other information given in the half-year progress report given below.

In accordance with IFRS 5, the financial statements have been restated (see preliminary note).

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Leasing revenue	76 318	71 332	147 111
Sales of equipment	46 193	40 161	85 549
<i>including sales to clients</i>	17 271	26 543	53 408
<i>including sales to investors</i>	28 922	13 618	32 141
Revenue from ordinary activities	122 511	111 493	232 660
EBITDAR	42 799	40 631	81 102
EBITDA(1)	13 003	11 220	23 220
Operating income	5 259	2 777	3 099
Consolidated net attributable income - Group's share	(13 910)	(4 366)	(11 583)
Included the net income from discontinued activities	(13 837)	(3 091)	(7 669)
Earnings per share (euro)	(1,99)	(0,74)	(1,82)

(1) EBITDA corresponds to the EBITDAR after deducting distributions to investors (previously called EBITDA after distribution to investors).

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Total assets	628 654	642 557	633 265
Gross tangible fixed assets ⁽¹⁾	400 988	692 480	688 666
Total non-current assets	323 165	512 358	503 929
Shareholders' equity - Group's share	122 488	135 623	139 279
Consolidated shareholder's equity	150 772	154 731	156 749
Minority interests	28 284	19 108	17 470
Gross financial debt	232 809	383 816	364 817
Net financial debt	193 191	367 558	336 802
Net dividend per share	NA	NA	NA

(1) The gross tangible assets do not include the value of capital gains on internal disposals and assets on discontinued businesses at June 30, 2017 representing an impact of €303 million

(2) The net debt is the gross debt after deducting cash assets and liabilities on derivatives, liabilities associated with assets of discontinued businesses were also adjusted, representing an impact of € 132,7 millions

1.2.REMINDER CONCERNING THE BUSINESSES

TOUAX leases, sells freight railcars, river barges and shipping containers as well as modular buildings throughout the world, on its own behalf and on behalf of investors.

With managed assets worth over €1.3 billion, TOUAX is one of the European leaders for leasing this type of equipment.

TOUAX is present on all five continents and achieved revenue of €122.5 million in the period to June 30, 2017, of which 99% was achieved outside France.

■ Freight Railcars division

TOUAX Rail Ltd, a wholly-owned subsidiary of TOUAX, operated circa 9,251 platforms (6,983 railcars) at the end of June 2017. The Group is specialized in 45', 60', 90' and 106' flat intermodal railcars, but also markets car-carrier railcars and hopper railcars.

The currency of the Freight Railcars division is the euro in Europe, the dollar in the United States and the Indian rupee in India.

In Europe, the Group offers its leasing and maintenance services via a network of agencies and agents located in most of the European countries. TOUAX may also sell used and new railcars.

TOUAX offers complete hedging to all its clients.

The Group mainly operates railcars on its own behalf (73% of the managed fleet in number of platforms) and partly through third-party asset management (27% of the managed fleet in number of platforms).

I River Barges division

The TOUAX Group is present Europe and North and South America with a fleet of 119 barges at the end of June 2017 for its own and for third parties, representing a capacity of over 309,000 tons.

TOUAX provides its services:

- in France on the Seine and Rhone,
- in Northern Europe on the Rhine (Meuse, Moselle, Main),
- in Central Europe on the Danube,
- in North America on the Mississippi,
- in South America on the Paraná-Paraguay.

TOUAX offers its customers comprehensive expertise in the field of river transport, in particular with leasing and trade in river transport equipment.

The currency of the River Barges division is the dollar in the United States and South America, and the euro in Europe.

TOUAX's customers are river logistics operators and industrial companies.

I Shipping Containers division

Through Touax Global Container Solutions, TOUAX managed a fleet of about 532,000 CEU at the end of June 2017, making it the leader in Continental Europe and the eight largest leasing company in the world. The Group specializes in standard dry containers (20 feet, 40 feet, and 40 feet high capacity) which can be leased to all shipping companies worldwide. The average age of its fleet is of 9 years.

94% (number of CEU) of the shipping containers are managed on behalf of third-party investors, and the remainder belongs to the Group.

The Shipping Containers division deals in US dollars.

TOUAX Global Container Solutions offers a very extensive range of contracts:

- short-term operational leasing (annually renewable master lease or one way leasing),
- long-term operational leasing (3 to 7 years) with or without an option to buy (these contracts account for 89% of the fleet managed),
- financial leasing (sale and leaseback and lease-purchase program).

TOUAX also sells new and used containers.

The Group's utilization rate was of 97.5% on June 30, 2017.

TOUAX Global Container Solutions works with over 120 shipping companies worldwide and with top 25 firms. Customers include for example Maersk Lines, Hapag Lloyd, Evergreen, Mediterranean Shipping Company, CMA-CGM, China Shipping etc.

The Group is present at the international level with a network of 8 offices (Hong-Kong, Miami, Bremen, Genoa, Shanghai, Singapore, San Francisco and Sao Paulo) and 2 agencies located in South Africa and South Korea, and works with about 200 warehouses located in the main port zones in the world, thereby offering global cover to all its customers.

I Modular Buildings division – Discontinued operations

On 3 July 2017, TOUAX announced the intended sale of all the shares held in TOUAX Solutions Modulaires SAS to one of the funds managed by TDR Capital LLP and signed the share purchase agreement on 4 August 2017. The closing of transaction will occur following receipt of the necessary approvals with a closing scheduled for the last quarter of 2017.

TOUAX has also signed a mandate to sell its Modular buildings activities in the United States and intends to expand its activities in Africa (with its subsidiary owned 51% by TOUAX and 49% by a private equity firm).

1.3. VARIATION IN CONSOLIDATED REVENUE

Total revenue increased by €11 million (equal to +9.9 %), from €111.5 million in June 2016 to €122.5 million in June 2017. Revenue from retained businesses increased by 1.87% with constant currency and scope (adjusted with the inclusion of TRF3 in the perimeter).

Leasing revenue increased by €5 million, from €71.3 million at 30 June 2016 to €76.3 million on 30 June 2017, equal to a variation of +7%. The variation in leasing revenue at constant scope and currency is -4.2% (impact of TRF3 at S1 2017: €6.5 million) mainly resulting from the decline in the shipping container fleet due to the sale of used assets in 2016.

The freight railcar leasing business is growing strongly thanks to the integration of revenues from the fleet owned by the subsidiary TRF3 (a fully-consolidated subsidiary since early January 2017).

The leasing activity of the River Barges division increased by €1.4 million. This change is explained by the increased chartering carried out by our subsidiary in the Netherlands.

The leasing activity of the Shipping Containers division is down 5.46%. This variation is explained by the transfer of used containers and container returns followed by lower leasing prices in 2016.

Equipment sales increased by €6 million (equal to +15%) increasing from €40.2 million on 30 June 2016 to €46.2 million on 30 June 2017.

Sales to end customers were up by 35%. Many used containers were sold in 2016, while few used containers were available for sale in the first half of 2017.

Sales to investors are increasing due to railcar syndications (+112%).

■ Analysis by division

Revenues by business (in thousands of euros)	06.2017	06.2016	Variation June 2016/2017		12.2016
FREIGHT RAILCARS	49 391	20 805	28 586	137,4%	48 869
Leasing revenues (1)	24 755	18 293	6 462	35,3%	37 501
Sale of new and used equipment	24 636	2 512	22 124	880,7%	11 368
RIVER BARGES	7 376	6 792	584	8,6%	13 870
Leasing revenues (1)	7 259	5 857	1 402	23,9%	12 846
Sale of new and used equipment	117	935	(818)	-87,5%	1 024
SHIPPING CONTAINERS	64 196	80 114	(15 918)	-19,9%	162 884
Leasing revenues (1)	44 396	46 960	(2 564)	-5,5%	96 594
Sale of new and used equipment	19 800	33 154	(13 354)	-40,3%	66 290
Other (Misc. and offsets)	1 548	3 782	(2 234)	-59,1%	7 037
Leasing revenues (1)	(92)	222	(314)	-141,4%	171
Sale of new and used equipment	1 640	3 560	(1 920)	-53,9%	6 866
TOTAL	122 511	111 493	11 018	9,9%	232 660

(1) Leasing revenue includes ancillary services.

Revenues have been restated in accordance with IFRS 5 (see preliminary note).

■ Analysis by geographical area

Revenues by geographical area (in thousands of euros)	06.2017	06.2016	Variation June 2016/2017		2 016
International	63 935	80 090	(16 155)	-20,2%	162 649
Americas	2 619	2 937	(318)	-10,8%	5 645
Europe	53 406	25 437	27 969	110,0%	58 329
Other	2 551	3 029	(478)	-15,8%	6 037
TOTAL	122 511	111 493	11 018	9,9%	232 660

In the Freight Railcars and River Barges divisions, the services are provided in the sector where the markets and customers are located.

The Shipping Containers division is present at the international level, since the shipping containers travel on hundreds of global trade routes.

- Quarterly information restated in accordance with the application of IFRS 5 following the transfer in progress of the leasing of modular buildings in Europe and the United States, neither audited or reviewed by the Statutory Auditors.

Revenues by quarter (in thousands of euros)	Q1 2017	Q2 2017	Total 06.2017
Leasing revenue	11 929	12 826	24 755
Sales of equipment	598	24 038	24 636
<i>Including sales to clients</i>	434	1 139	1 573
<i>Including sales to investors</i>	164	22 899	23 063
Freight Railcars	12 527	36 864	49 391
Leasing revenue	3 699	3 560	7 259
Sales of equipment	6	111	117
<i>Including sales to clients</i>	6	111	117
<i>Including sales to investors</i>			
River barges	3 705	3 671	7 376
Leasing revenue	22 824	21 572	44 396
Sales of equipment	13 480	6 321	19 800
<i>Including sales to clients</i>	7 520	6 421	13 940
<i>Including sales to investors</i>	5 960	(100)	5 860
Shipping containers	36 304	27 892	64 196
Leasing revenue	45	(137)	(92)
Sales of equipment	987	653	1 640
<i>Including sales to clients</i>	987	653	1 640
<i>Including sales to investors</i>			
Miscellaneous & unallocated	1 032	517	1 549
Leasing revenue	38 498	37 820	76 318
Sales of equipment	15 070	31 123	46 193
<i>Including sales to clients</i>	8 947	8 324	17 271
<i>Including sales to investors</i>	6 124	22 799	28 923
TOTAL GROUP	53 568	68 943	122 511

Revenues by quarter <i>(in thousands of euros)</i>	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Total 12.2016
Leasing revenue	9 102	9 191	9 318	9 891	37 501
Sales of equipment	178	2 333	70	8 786	11 368
<i>Including sales to clients</i>	178	2 333	70	469	3 051
<i>Including sales to investors</i>				8 317	8 317
Freight Railcars	9 280	11 525	9 388	18 677	48 869
Leasing revenue	3 090	2 768	3 281	3 707	12 846
Sales of equipment	918	17	18	71	1 024
<i>Including sales to clients</i>	918	17	18	71	1 024
<i>Including sales to investors</i>					
River barges	4 007	2 785	3 299	3 778	13 870
Leasing revenue	23 828	23 132	23 986	25 647	96 594
Sales of equipment	19 429	13 725	16 970	16 166	66 290
<i>Including sales to clients</i>	9 513	10 023	11 168	11 762	42 466
<i>Including sales to investors</i>	9 916	3 702	5 802	4 403	23 824
Shipping containers	43 257	36 857	40 956	41 813	162 884
Leasing revenue	111	111	62	(114)	171
Sales of equipment	2 013	1 547	527	2 780	6 866
<i>Including sales to clients</i>	2 013	1 547	527	2 780	6 866
<i>Including sales to investors</i>					
Miscellaneous & unallocated	2 123	1 658	589	2 666	7 037
Leasing revenue	36 130	35 202	36 648	39 132	147 111
Sales of equipment	22 538	17 623	17 585	27 802	85 549
<i>Including sales to clients</i>	12 622	13 921	11 783	15 082	53 408
<i>Including sales to investors</i>	9 916	3 702	5 802	12 720	32 141
TOTAL GROUP	58 668	52 825	54 233	66 934	232 660

The variation in revenue (+9.9%) has the following breakdown:

■ Freight railcars

The revenue generated by the Freight Railcars division increased by €28.6 million (or +137%), changing from €20.8 million in June 2016 to €49.4 million in June 2017. The leasing business, like the sales business, was up.

The leasing revenue generated by our Freight Railcars division increased by €6.5 million (or +35%), from €18.3 million in June 2016 to €24.8 million in June 2017. The increase in leasing revenues is mainly due to the full consolidation of the TRF3 subsidiary. The average utilisation rate for the first half of 2016 was 81.53%, compared with an average of 80.30% for the 1st half of 2017.

Equipment sales in the Freight Railcars division increased by €22.1 million, from €2.5 million in June 2016 to €24.6 million in June 2017 following the completion of major syndications.

■ River barges

The revenue generated by the River Barges division increased by €0.6 million (or +8.6%), changing from €6.8 million in June 2016 to €7.4 million in June 2017. Chartering in the Netherlands increased significantly offsetting the decline in railcar sales in 2016.

■ Shipping containers

The revenue generated by the Shipping Container division decreased by €15.9 million (or -19.9%), changing from €80.1 million in June 2016 to €64.2 million in June 2017. This change is mainly due to lower sales of containers to customers and investors.

The leasing revenue generated by the Shipping Container division fell by €2.6 million (or -5.5%), changing from €47 million in June 2016 to €44.4 million in June 2017. At constant Euro/dollar exchange rates, the leasing revenue from our Shipping Containers division fell by 8.2%. The decrease in leasing revenues is due to the transfer of used containers and lower daily leasing rates in 2016. The fleet decreased by 70,106 CEU between the two periods (531,529 CEU on 30.06.2017). The utilization rate increased to 97.5% on 30 June 2017 compared with 89.4% on 30 June 2016.

Equipment sales from the Shipping Container division fell by €13.4 million (or -40%), changing from €33.1 million in June 2016 to €19.8 million in June 2017. Huge numbers of used containers were sold in 2016, while few used containers were available for sale in the first half of 2017. Investor syndications are also down.

I Miscellaneous

Other activities most notably include modular buildings in Africa. It shows a decrease in its revenues of €2.2 million at 30 June 2017 compared to 30 June 2016 with lower deliveries temporarily.

1.4. VARIATION IN THE GROUP'S RESULTS

Segment information is presented in accordance with IFRS 8 based on internal management reports.

Result (in thousands of euros)	06.2017	06.2016	Variation June 2016/2017	12.2016
FREIGHT RAILCARS				
Gross operating margin (EBITDAR)	12 129	9 309	2 820	20 265
Segment-based results before distribution to investors	5 735	4 075	1 660	9 687
Leasing revenues owed to investors	(1 626)	(1 654)	28	(3 667)
Segment-based current operating income	4 109	2 421	1 688	6 020
RIVER BARGES				
Gross operating margin (EBITDAR)	3 533	2 162	1 372	4 371
Segment-based results before distribution to investors	2 075	660	1 414	1 397
Leasing revenues owed to investors				
Segment-based current operating income	2 075	660	1 414	1 397
SHIPPING CONTAINERS				
Gross operating margin (EBITDAR)	28 480	29 976	(1 496)	57 491
Segment-based results before distribution to investors	27 157	28 785	(1 628)	54 442
Leasing revenues owed to investors	(28 171)	(27 757)	(413)	(54 215)
Segment-based current operating income	(1 014)	1 028	(2 042)	226
TOTAL				
Gross operating margin (EBITDAR)	44 142	41 447	2 696	82 127
Segment-based results before distribution to investors	34 967	33 520	1 446	65 525
Leasing revenues owed to investors	(29 797)	(29 411)	(385)	(57 882)
Segment-based current operating income	5 171	4 109	1 061	7 643
Other (misc., non-allocated)	(1 742)	(1 332)	(409)	(2 025)
Current operating income	3 429	2 777	652	5 618
Other operating revenues and expenses	1 830		1 831	(2 519)
Operating income	5 259	2 777	2 482	3 099
Financial result	(4 920)	(5 049)	129	(10 722)
Shares of profit/(loss) of associates	(65)	1 136	(1 201)	2 058
Profit before tax	274	(1 136)	1 410	(5 565)
Corporate income tax	(94)	(444)	350	(473)
EARNINGS FROM RETAINED BUSINESSES	180	(1 580)	1 761	(6 038)
EARNINGS FROM DISCONTINUED OPERATIONS	(10 363)	(3 092)	(7 271)	(7 664)
CONSOLIDATED NET INCOME	(10 183)	(4 672)	(5 510)	(13 702)
- non controlling interests (Minority interests) from retained businesses	253	(305)	558	(2 124)
- non controlling interests (Minority interests) from discontinued operations	3 474	(1)	3 475	5
CONSOLIDATED NET ATTRIBUTABLE INCOME	(13 910)	(4 366)	(9 544)	(11 583)
Including EARNINGS FROM RETAINED BUSINESSES	(73)	(1 275)	1 203	(3 914)
Including EARNINGS FROM DISCONTINUED OPERATIONS	(13 837)	(3 091)	(10 746)	(7 669)

The financial statements have been restated in accordance with IFRS 5 (see preliminary note).

The segment-based results in the **Freight Railcars** is up by €1.7 million. The €1.5 million increase in sales margin was mainly due to the syndication of wagons to the Luxembourg SICAV.

The segment-based current operating income in the **River Barges** division reported an increase of €1.4 million compared to June 2016. The resolution of the dispute with a South American customer provided an ad hoc improvement to the operating profit of €1.1 million.

The **Shipping Containers** division shows segment-based results down by €2 million on 30 June 2017. The sales and syndication activity was down due to a reduced volume of containers available for sale and a smaller syndication. The Shipping Containers activity is impacted by significant container returns and lower-priced leases in 2016.

1.5. OTHER ITEMS OF THE CONSOLIDATED RESULTS

I Net distribution to investors

The net distribution to investors increased by €0.4 million (or +1.3%), changing from €29.4 million in June 2016 to €29.8 million in June 2017. At constant currency, the variation is -1%.

The Shipping Containers division makes a major contribution to this item: €28.2 million in June 2017 compared with €27.8 million in June 2016.

The Shipping Containers division contributed €0.4 million to this increase, while at constant currency, the distribution to investors would decrease by €0.3 million.

The Shipping Containers division manages 460,557 CEU on behalf of investors at the end of June 2017 compared to 504,231 CEU at the end of June 2016. The decline in the fleet of investors following the sale of second-hand containers in 2016 is greater than the decrease in distribution due to the increase in the utilization rate and the leasing rates in 2017.

Distributions to investors in the Freight Railcar division were stable at €1.6 million for both periods.

It is stated that the leasing revenue includes leasing revenue received on behalf of third parties, leasing revenue due to the Group, and the share of interest on finance leases in which the Group is the lessor. The change in the business mix (proprietary asset management and third-party asset management) results in a change in the revenue distribution rate. In other words, if more leasing revenue is received on behalf of third parties, the revenue distribution rate will be higher. It should be noted that in June 2017 the Group managed equipment worth over €1.3 billion, 69% of which belonged to third parties.

I Current operating income

The current operating income amounted to €3.4 million, compared to €2.8 million in June 2016.

I Other operating income and expenses

Other operating income and expenses show an income of €1.8 million related to the change from equity method to the full consolidation method of TRF3 (Railcar division).

I Financial result

The financial result showed an expense of €4.9 million at June 30, 2017 compared with €5 million at 30 June 2016. The financial result mainly comprises interest charges.

I Net result (Group's share)

The consolidated net income (Group's share) showed a loss of €13.9 million at 30 June 2017.

Net earnings per share amounted to €-1.99 (€-0.74 in June 2016).

1.6. GROUP CONSOLIDATED BALANCE SHEET

The consolidated balance sheet total at June 30, 2017 amounted to €629 million, compared with €633 million at December 31, 2016.

Non-current assets totalled €323 million (including property, plant and equipment worth €299 million at June 30, 2017) compared with €504 million at December 31, 2016 (including property, plant and equipment worth €455 million at December 31, 2016). The restatement of the assets from discontinued operations according to IFRS 5 has a negative impact on non-current assets of €176.1 million.

Long-term financial assets amounted to €4.1 million and remained stable compared with 31 December 2016.

Stocks at June 30, 2017 amounted to €15.4 million versus €37 million at December 31, 2016. The restatement of the assets from discontinued operations according to IFRS 5 impacts on the reduction of stocks equal to €8.2 million.

Shareholders equity amounted to €150.8 million compared with €156.7 million at December 31, 2016.

Non-current liabilities amounted to €143.4 million, down €96.1 million compared with December 2016 (€239.5 million). The decrease is due to the reclassification as liabilities relating to assets held for sale for an amount of €98.7 million.

Consolidated net financial indebtedness (after deducting cash and marketable securities and Short-term derivative instruments assets) amounted to €193.2 million, down by €143.6 million compared with €336.8 million in December 2016. The decrease is due to the reclassification as liabilities of assets held for sale for the gross debt and as assets held for sale for cash at a value of €132.7 million net.

1.7. PRINCIPAL OUTSTANDING INVESTMENTS

Change in gross value assets leased in the first half of 2017

<i>(In thousands of euros)</i>			Shipping		TOTAL
	Freight Railcars	River Barges	Containers	Misc.	
Gross capital assets investments	44 565	4	205	3 818	48 592
Variation in stock of equipment	(9 069)		(6 653)		(15 722)
Sale of capitalized equipment (historical gross value)	(16 982)	(562)	(1 308)	(8 627)	(27 479)
Including discontinued operations				(5 075)	(5 075)
Investments in capital and in stock	18 514	(558)	(7 756)	266	10 466
Equipments sold to investors (finance lease)					
Gross investment in managed assets	9 106		5 860		14 966
Capitalized equipment sold to investors	13 950				13 950
Sale of managed equipment (historical value)	(43 754)		(66 420)	(2 345)	(112 519)
Including discontinued operations				(2 345)	(2 345)
Net investment in managed assets	(20 698)		(60 560)		(81 258)
NET INVESTMENTS	(2 184)	(558)	(68 316)	266	(70 792)

The net fixed and stocked investments represent purchases of fixed and stocked leasing equipment at gross value, decreased by sales at gross value.

Main investments on TOUAX's own behalf

Net capital assets investments			
<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Net intangible investments	32	89	211
Net tangible investments	26 647	(2 633)	(11 525)
<i>Including inclusion of TRF3 in the perimeter</i>	41 406		
Net financial investments	(491)	(577)	(786)
TOTAL NET INVESTMENTS IN ASSETS	26 188	(3 121)	(12 100)

These are acquisitions of fixed assets in gross value less the gross values of the transfers of fixed assets.

Breakdown by business of net capital assets investments			
<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Freight Railcars	27 583	3 067	(230)
<i>Including impact of inclusion in the perimeter</i>	41 406		
River Barges	(558)	(788)	(1 206)
Shipping Containers	(1 103)	(1 423)	(2 713)
Miscellaneous	266	(3 977)	(7 951)
TOTAL NET INVESTMENTS IN ASSETS	26 188	(3 121)	(10 664)

A divestment of assets held on the balance sheet can be noted, explained by the sale of railcars to the Luxembourg SICAV.

Firm investment commitments

Firm orders and investments at June 30, 2017 amounted to €8.53 million, consisting of €7.37 million for freight railcars and €1.16 million for shipping containers.

Discontinued operations have not placed an order or made an investment as of 30 June 2017.

1.8. SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2017

On 30 June 2017, the TOUAX Group signed a put option for all shares held in TOUAX Solutions Modulaires SAS, the modular division Touax Europe, with a company controlled by funds managed by TDR Capital LLP.

On 3 July 2017, TOUAX announced the intended sale of all the shares held in TOUAX Solutions Modulaires SAS and the signature of a sales advisory mandate for its modular building activities in the United States.

The IFRS 5 standard "Non-current Assets Held for Sale and Discontinued Operations" applies to the accounts of 30 June 2017. (see note 3)

1.9. POST BALANCE SHEET EVENTS

TOUAX paid a coupon to the holders of Undated Super Subordinated Notes (TSSDI) for an amount of €4 million in August 2017.

On 4 August 2017, TOUAX signed the share purchase agreement all the shares held in TOUAX Solutions Modulaires SAS.

1.10. OUTLOOK

The **Freight Railcars** business in Europe should continue to benefit from the improving European economy along with the rise in utilisation rate.

The **River Barges** business continues to experience a difficult economic context in South America, but has improved in Europe.

The **Shipping Containers** business is benefiting from a worldwide shortage of containers with utilisation rates rising since the beginning of 2017. This situation creates a need for investment and an expected growth of the fleet. The context is again favourable for TOUAX which envisages a return to investments as soon as the sale of the European and American modular buildings leasing and sales activity is completed.

Losses in the modular buildings business in Europe, particularly in France as well as in the United States, will cease with the respective sales of these businesses.

TOUAX confirms an operating profit for the year 2017.

1.11. RISKS AND UNCERTAINTIES REGARDING THE SECOND HALF-YEAR

Risk management is set out in the 2016 reference document reference filed with the AMF on April 7, 2017, reference D17-0334. TOUAX does not expect changes in the risks described in the 2016 reference document.

1.12. PRINCIPAL RELATED-PARTY TRANSACTIONS

The nature of the transactions carried out by the Group with related parties is described in Note 30 of the Notes to the 2016 consolidated financial statements. There were no significant changes to related-party transactions during the first half of 2017.

2. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

In accordance with IFRS 5 (as of 30 June 2017), European and US Modular Buildings activities are presented as discontinued operations.

Income and expenses from discontinued operations were treated as follows:

The contribution by these activities to each line of the TOUAX consolidated income statement is grouped under "Net income from discontinued operations" over the periods presented;

In accordance with IFRS 5, these restatements are applied to all periods presented in order to make the information consistent.

Assets and liabilities of discontinued operations are aggregated on a single line to assets and to liabilities.

Consolidated income statement, presented by function (in thousands of euros)	06.2017	06.2016	12.2016
Leasing revenue	76 318	71 332	147 111
Sales of equipment	46 193	40 161	85 549
TOTAL REVENUE	122 511	111 493	232 660
Capital gains on disposals	4	5	209
Revenue from ordinary activities	122 515	111 498	232 869
Cost of sales	(42 826)	(36 414)	(77 454)
Operating expenses	(25 701)	(22 898)	(51 729)
Sales, general and administrative expenses	(11 189)	(11 555)	(22 585)
GROSS OPERATING MARGIN (EBITDAR)	42 799	40 631	81 101
Depreciation, amortization and impairments	(9 574)	(8 443)	(17 601)
OPERATING INCOME before distribution to investors	33 225	32 188	63 500
Net distributions to investors	(29 796)	(29 411)	(57 882)
CURRENT OPERATING INCOME	3 429	2 777	5 618
Other operating revenues (expenses), net	1 830		(2 519)
OPERATING INCOME	5 259	2 777	3 099
Interest income	48	138	146
Interest expense	(5 326)	(4 847)	(9 453)
Net interest expense	(5 278)	(4 709)	(9 307)
Other financial income (expenses), net	358	(340)	(1 415)
NET FINANCIAL EXPENSE	(4 920)	(5 049)	(10 722)
Profit (loss) of investments in associates	(65)	1 136	2 058
PROFIT BEFORE TAX	274	(1 136)	(5 565)
Income tax benefit (expense)	(94)	(444)	(473)
Earnings from retained businesses	180	(1 580)	(6 038)
Earnings from discontinued operations	(10 363)	(3 092)	(7 664)
NET INCOME OF CONSOLIDATED COMPANIES	(10 183)	(4 672)	(13 702)
including portion attributable to			
- non controlling interests (Minority interests) from retained businesses	253	(305)	(2 124)
- non controlling interests (Minority interests) from discontinued operations	3 474	(1)	5
CONSOLIDATED NET INCOME (LOSS)	(13 910)	(4 366)	(11 583)
Including earnings from retained businesses	(73)	(1 275)	(3 914)
Including earnings from discontinued operations	(13 837)	(3 091)	(7 669)
Net earning per share (euro)	(1,99)	(0,74)	(1,82)
Diluted net earnings per share (euro)	(1,99)	(0,74)	(1,82)

The application of IFRS 5 results in the restatement of the consolidated financial statements for the periods presented (see note 3).

Consolidated income statement, presented by type		06.2017	06.2016	12.2016
<i>Note # (in thousands of euros)</i>				
	Revenue	122 511	111 493	232 660
	Capital gain (loss) on disposals	4	5	209
5	Revenue from ordinary activities	122 515	111 498	232 869
	Other purchases and external charges	(70 515)	(63 616)	(132 008)
6	Staff costs	(8 304)	(8 255)	(15 747)
	Other operating revenues & expenses	1 702	315	(2 709)
	GROSS OPERATING PROFIT	45 398	39 942	82 405
	Operating Provisions	(2 599)	689	(1 304)
	GROSS OPERATING MARGIN (EBITDAR)	42 799	40 631	81 101
	Depreciation, amortization and impairments	(9 574)	(8 443)	(17 601)
	OPERATING INCOME before distribution to investors	33 225	32 188	63 500
7	Net distributions to investors	(29 796)	(29 411)	(57 882)
	CURRENT OPERATING INCOME	3 429	2 777	5 618
8	Other revenues (expenses), net	1 830		(2 519)
	OPERATING INCOME	5 259	2 777	3 099
	Interest income	48	138	146
	Interest expense	(5 326)	(4 847)	(9 453)
	Net interest expense	(5 278)	(4 709)	(9 307)
	Other financial income (expenses), net	358	(340)	(1 415)
9	NET FINANCIAL EXPENSE	(4 920)	(5 049)	(10 722)
	Profit (loss) of investments in associates	(65)	1 136	2 058
	PROFIT BEFORE TAX	274	(1 136)	(5 565)
10	Income tax benefit (expense)	(94)	(444)	(473)
	Earnings from retained businesses	180	(1 580)	(6 038)
	Earnings from discontinued operations	(10 363)	(3 092)	(7 664)
	NET INCOME OF CONSOLIDATED COMPANIES	(10 183)	(4 672)	(13 702)
	Including portion attributable to:			
	- non controlling interests (Minority interests) from retained businesses	253	(305)	(2 124)
	- non controlling interests (Minority interests) from discontinued operations	3 474	(1)	5
	CONSOLIDATED NET INCOME (LOSS)	(13 910)	(4 366)	(11 583)
	Including earnings from retained businesses	(73)	(1 275)	(3 914)
	Including earnings from discontinued operations	(13 837)	(3 091)	(7 669)
	Net earnings per share	(1,99)	(0,74)	(1,82)
	Diluted earnings per share	(1,99)	(0,74)	(1,82)

The application of IFRS 5 results in the restatement of the consolidated financial statements for the periods presented (see note 3).

Statement of comprehensive income for the period			
<i>(in thousands of Euros)</i>	06.2017	06.2016	12.2016
Consolidated net income (loss)	(10 183)	(4 672)	(13 702)
Other items of comprehensive income, net of taxes			
Translation adjustments	(2 677)	(2 046)	1 346
Translation adjustments on net investment in subsidiaries	(222)	(587)	(145)
Profit and losses on cash flow hedges (efficient part)	254	(580)	847
Profits and losses on cash flow hedges for the share of companies accounted for the equity method			(93)
Tax on comprehensive income items	(105)	161	(3)
Total items that may be subsequently reclassified to profit or loss	(2 750)	(3 052)	1 952
including non-controlling interests (minority interests)	(273)	(518)	408
including Owners of the Group's parent company	(2 477)	(2 534)	1 544
Net income (loss) for the financial year attributable to:			
non-controlling interests (minority interests)	3 727	(306)	(2 119)
Owners of the Group's parent company	(13 910)	(4 366)	(11 583)
Total	(10 183)	(4 672)	(13 702)
COMPREHENSIVE INCOME:			
including non-controlling interests (minority interests)	3 454	(824)	(1 711)
including Owners of the Group's parent company	(16 387)	(6 900)	(10 039)
TOTAL	(12 933)	(7 724)	(11 750)

Consolidated balance sheet		06.2017	06.2016	12.2016
Note #	(in thousands of euros)			
ASSETS				
12	Goodwill	13 410	29 103	26 789
	Intangible assets	875	1 153	1 227
13	Rental equipment & other property plant & equipment, net	299 067	471 017	454 874
14	Long-term financial assets	4 072	4 087	4 177
14	Investments in associates		4 003	10 436
14	Other non-current assets	5 619	2 786	5 462
	Deferred tax assets	122	209	964
	Total non-current assets	323 165	512 358	503 929
15	Inventory and work-in-progress	15 395	47 826	37 026
	Trade receivables, net	27 757	50 611	51 548
14	Current Financial Assets	4 534		
16	Other Current Assets	9 931	16 153	12 747
14	Cash and Cash Equivalents	39 618	15 609	28 015
	Total current assets	97 235	130 199	129 336
	Assets of discontinued operations	208 254		
	TOTAL ASSETS	628 654	642 557	633 265
LIABILITIES				
	Share capital	56 092	47 071	56 092
	Hybrid capital	50 161	50 161	50 161
	Reserves	30 145	42 757	44 609
	Profit (loss) for the fiscal year, Group's share	(13 910)	(4 366)	(11 583)
	Equity attributable to the owners of the parent company	122 488	135 623	139 279
	Non-controlling interests (Minority interests)	28 284	19 108	17 470
18	Consolidated shareholders' equity	150 772	154 731	156 749
17	Loans and borrowings	136 161	232 779	224 439
	Deferred tax liabilities	2 839	7 614	9 555
	Employee benefits	281	410	556
	Other long-term liabilities	4 087	2 546	4 940
	Total non-current liabilities	143 368	243 349	239 490
19	Provisions	219	2 259	3 607
17	Loans and borrowings	96 648	151 037	140 378
	Trade payables	11 906	29 891	27 613
20	Other Current Liabilities	45 752	61 289	65 428
	Total current liabilities	154 525	244 477	237 026
	Liabilities associated with assets of discontinued operations	179 989		
	TOTAL LIABILITIES	628 654	642 557	633 265

The application of IFRS 5 results in the restatement of the consolidated financial statements for the 2017 period (see note 3).

Changes in consolidated shareholders' equity (in thousands of euros)	Share capital	Premiums	Consolidated reserves	Conversion reserves	Variation in the fair value of derivatives (swaps)	Comprehensive income for the year	TOTAL Equity attributable to the owners of the parent company	Non controlling interests (Minority interests)	TOTAL shareholders' equity
POSITION AT JANUARY 1, 2016	47 070	32 228	75 602	12 089	(221)	(23 955)	142 813	19 965	162 778
Revenue (expenses) recognized directly in shareholders' equity					(222)		(222)	(281)	(503)
Translation differences				(2 280)			(2 280)	(270)	(2 550)
Comprehensive income for the year						(4 366)	(4 366)	(306)	(4 672)
TOTAL charges and revenue recognised				(2 280)	(222)	(4 366)	(6 868)	(857)	(7 725)
Capital increases		3					3		3
Appropriation of the 2015 net result			(23 955)			23 955			
General Partners' statutory compensation			(362)				(362)		(362)
Change in the reserves			344		(344)				
Changes in the consolidation perimeter and miscellaneous									
Treasury shares			37				37		37
AT JUNE 30, 2016	47 070	32 231	51 666	9 809	(787)	(4 366)	135 623	19 108	154 731
POSITION AT JANUARY 1, 2017	56 092	34 041	47 662	13 270	(203)	(11 583)	139 279	17 470	156 749
Revenue (expenses) recognized directly in shareholders' equity					182		182	63	245
Translation differences				(2 659)			(2 659)	(336)	(2 995)
Comprehensive income for the year						(13 910)	(13 910)	3 727	(10 183)
TOTAL charges and revenue recognised				(2 659)	182	(13 910)	(16 387)	3 454	(12 933)
Capital increases		(26 405)	26 405						
Appropriation of the 2016 net result			(11 583)			11 583			
General Partners' statutory compensation		(441)					(441)		(1 938)
Dividend								(1 497)	(1 497)
Changes in the consolidation perimeter and miscellaneous			122		(80)		42	8 857	8 899
Treasury shares			(5)				(5)		(5)
AT JUNE 30, 2017	56 092	7 195	62 601	10 611	(101)	(13 910)	122 488	28 284	150 772

Consolidated Cash Flow Statement <i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Consolidated net income/(loss)	181	(1 580)	(6 038)
Profit / (loss) of investments in associates	65	(1 136)	(2 058)
Depreciation and amortization	9 581	7 954	16 674
Change in deferred taxes	(134)	(137)	80
Capital gains & losses on disposals	(1 313)	(871)	(1 642)
Other non-cash income (expenses), net	(2 106)	283	3 783
Self-financing capacity after cost of net financial debt & tax	6 274	4 513	10 799
Net interest expense	5 278	4 709	9 307
Income tax paid	227	581	392
Self-financing capacity before cost of net financial debt & tax	11 779	9 803	20 498
Income tax paid	(227)	(581)	(392)
A Change in working capital (excluding changes in inventory)	643	(15 669)	(7 029)
B Change in inventory	13 977	6 893	11 682
C Change in working capital related to rental equipment purchases	(6 128)	(12 665)	(10 814)
Purchase of rental equipment	(3 132)	(5 535)	(8 104)
Proceed from sale of rental equipment	15 816	4 076	8 921
Net impact of finance leases granted to customers	705	485	595
Sub-total	21 238	(6 746)	2 280
CASH FLOW FROM OPERATING ACTIVITIES GENERATED BY RETAINED BUSINESSES	33 433	(13 193)	15 357
CASH FLOW FROM OPERATING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS	6 314	5 941	14 844
I - CASH FLOW FROM OPERATING ACTIVITIES	39 747	(7 252)	30 201
Investing activities			
Acquisition of PPE and intangible assets	(173)	(282)	(459)
Acquisition of equity interests			
Net change in financial fixed assets	(214)	4	249
Proceed from sale of property, plant and equipment	4	5	211
Change in the scope of consolidation	6 683		(3)
CASH FLOW FROM INVESTING ACTIVITIES GENERATED BY RETAINED BUSINESSES	6 300	(273)	(2)
CASH FLOW FROM INVESTING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS	(160)	(314)	(1 354)
II - CASH FLOW FROM INVESTING ACTIVITIES	6 140	(587)	(1 356)
Financing transactions			
Receipt from borrowings	14 233	13 445	27 355
Repayments of borrowings	(29 627)	(27 487)	(52 962)
Net change in borrowings	(15 394)	(14 042)	(25 607)
Net increase in shareholders' equity (capital increase)		3	10 836
Interest expense	(5 278)	(4 709)	(9 307)
Dividends to shareholders of TOUAX SCA			
Dividends to minority shareholders	(1 410)		(784)
General Partners' statutory compensation			(362)
Hybrid capital coupons			(4 039)
Net sale (acquisition) of treasury shares	(5)	37	65
CASH FLOW FROM FINANCING TRANSACTIONS GENERATED BY RETAINED BUSINESSES	(22 126)	(18 711)	(29 198)
CASH FLOW FROM FINANCING TRANSACTIONS GENERATED BY DISCONTINUED OPERATIONS	(8 596)	(9 207)	(17 286)
III - CASH FLOW FROM FINANCING TRANSACTIONS	(30 722)	(27 918)	(46 484)
Effect of exchange rate fluctuations	47	(438)	(158)
IV - CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS	47	(438)	(158)
V - Reclassification of discontinued operations' cash and cash equivalents	330	4 425	721
CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	15 542	(31 770)	(17 076)
Analysis of cash flow			
Cash position at start of year	23 460	40 536	40 536
Cash position at year end	39 002	8 766	23 460
CHANGE IN NET CASH POSITION	15 542	(31 770)	(17 076)

Net cash includes current bank facilities.

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Change in the operational working capital			
Decrease/(increase) in inventory	13 977	6 893	11 682
B Change in inventory (2)	13 977	6 893	11 682
Decrease/(increase) in trade receivables	(1 196)	(1 368)	(76)
Decrease/(increase) in other current assets	(13)	(371)	(33)
(Decrease)/increase in trade payables	(2 224)	(1 067)	(2 555)
(Decrease)/increase in other liabilities	4 076	(12 863)	(4 365)
A Change in operating working capital excluding change in inventory (1)	643	(15 669)	(7 029)
Change in the working capital (1)+(2)	14 620	(8 776)	4 653
C Change in Working Capital for investment			
Decrease / (increase) in receivables / fixed assets			(20)
Decrease / (increase) in liabilities / fixed assets	(6 128)	(12 665)	(10 794)
Change in Working Capital for investment	(6 128)	(12 665)	(10 814)

The application of IFRS 5 results in the restatement of the consolidated financial statements for the periods presented (see note 3).

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

note 1. ACCOUNTING RULES AND METHODS

note 1.1. BASIS FOR PREPARING AND PRESENTING THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD TO JUNE 30, 2017

The consolidated financial statements of TOUAX SCA are presented in accordance with international standards (IFRS – International Financial Reporting Standards) approved by the European Union. The condensed consolidated half-year financial statements have been drawn up in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated half-year financial statements do not include all of the information required for the full annual financial statements and must be understood in conjunction with the Group's reference document for the financial year to December 31, 2016.

The accounting principles and methods of assessment have been applied consistently for the periods presented. The interim financial statements have been drawn up in accordance with the same rules and methods used to draw up the annual financial statements, except for the calculation of the current and deferred income tax expense. The income tax expense has been calculated by applying the estimated annual average tax rate for the current fiscal year for each entity or tax group, to the accounting income for the period.

However, for the interim financial statements, in accordance with IAS 34, certain assessments (unless otherwise indicated) may be based to a greater extent on estimates rather than on the annual financial data.

In accordance with IFRS 5 (as of 30 June 2017), European and US Modular Buildings activities are presented as discontinued operations.

Income and expenses from discontinued operations were treated as follows:

- The contribution to each line of the TOUAX consolidated income statement is grouped under "Net income from discontinued operations" over the periods presented;
- In accordance with IFRS 5, these restatements are applied to all periods presented in order to make the information consistent.

Assets and liabilities of discontinued operations are aggregated on a single line to assets and to liabilities.

The condensed consolidated half-year financial statements for the period to June 30, 2017 and the notes to these financial statements were approved on August 31, 2017 by the TOUAX SCA Management Board.

The condensed interim consolidated financial statements are presented in euros rounded up or down to the nearest thousand euros, unless otherwise stated.

I New IFRSs standards and interpretations

No amendments or interpretations that had to be applied from 1st January 2017 had a material impact on the half year consolidated accounts at 30 June 2017.

The Group does not apply the following rules, which had not been adopted by the European Union on 30 June 2017:

IFRS 9 "Financial instruments"

This new standard simplifies the classification of financial assets into two categories. In light of the initial analyses, the TOUAX Group does not identify any reclassification between the different categories of financial assets (historical cost, fair value). Concerning financial liabilities, IFRS 9 does not change the provisions of IAS 39 except for the change in fair value of financial liabilities recorded today as profit or loss. This change in fair value will be recorded in other global income to avoid any volatility of profit or loss. Today, the TOUAX Group accounts for its Ornane loan at fair value. The new asset impairment model and hedge accounting provisions are being analysed. IFRS 9 is applicable from 1 January 2018.

IFRS 15 "Revenue from contracts with customers"

A typology of activities and contracts with customers has been established in the Shipping Containers Division. A sample of contracts by type is currently being analysed.. There are fewer sales contract types in the Railcar division. Service contracts still need to be analysed.

Services and sales are marginal in the Barge division, which is more centred on leasing. Service contracts still need to be analysed.

IFRS 15 is applicable from 1 January 2018.

IFRS 16 "Leasing Contract"

The standard will replace IAS 17.

The main change to this standard is the removal of the distinction between finance leases and simple operating leases for lessees.

Limited exemptions are provided for short-term contracts and those for low-value assets.

The TOUAX Group must collect the information needed to measure its impact.

This standard will apply from 1 January 2019.

note 1.2. ESTIMATES

Drawing up financial statements in accordance with IFRS standards has led the management to make estimates and assumptions affecting the book value of certain assets and liabilities, income and expenses, as well as the information given in certain notes to the financial statements.

Since these assumptions are intrinsically uncertain, the actual figures may differ from the estimates. The Group regularly reviews its estimates and assessments in order to take past experience into account and factor in any elements considered relevant regarding economic conditions.

The financial assets and information subject to significant estimates concern in particular the appraisal of any loss in value of tangible assets, valuation of goodwill, financial assets, derivative financial instruments, inventories and work in progress, provisions for risks and charges, and deferred taxes.

note 1.3. SEASONAL NATURE OF THE BUSINESS

The Group's businesses do not show a marked seasonal activity.

note 2. CHANGES IN THE SCOPE OF CONSOLIDATION

TFR 3 is an entity in the Freight Railcar division, consolidated by the equity method in 2015 and 2016. The acquisition of a majority stake by TOUAX in the capital of TRF3 analysed in accordance with IFRS 10 led to its consolidation under the full consolidation method.

TXRF4 is an entity in the Freight Railcar division, consolidated by the equity method in 2016. The sale of a 1,000,000-share stake and the dilution of TOUAX in the capital of TXRF4 in June 2017 led the TOUAX Group to deconsolidate TXRF4 by the equity method on 30 June 2017 (significant loss of influence).

note 3. DISCONTINUED OPERATIONS

A non-current asset, or group of assets and liabilities, is held for sale when its accounting amount will be recovered primarily through a sale and not a continuing use. For this to be the case, the asset must be available for immediate sale and sale must be highly probable. The assets and liabilities concerned are reclassified as assets held for sale and as liabilities associated with assets held for sale without the possibility of offsetting. Assets reclassified in this way are recorded at the lowest value out of the fair value net of exit costs and their net accounting amount, in other words their cost minus the accumulated depreciation and impairment losses and are no longer amortized.

An activity is considered to be discontinued when it represents a distinct and significant activity for the group and the criteria for classification as assets held for sale have been satisfied. Discontinued operations are presented on a single line of the income statement for the periods presented, including the net after-tax income from discontinued operations up to the date of transfer and the after-tax gain or loss resulting from the disposal or fair value minus the costs of selling the assets and liabilities that constitute the discontinued activities. Similarly, cash flows from discontinued operations are presented on a separate line in the consolidated statement of cash flows for the periods presented.

In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, the Europe and US Modular Buildings activities are presented in the consolidated financial statements of the TOUAX Group as discontinued operations.

There are 12 entities involved in the application of IFRS 5.

Transfer in progress on 30 June 2017:

On 30 June 2017, the TOUAX Group signed a put option for the Europe Modular Buildings activity with TDR Capital. Its implementation is subject to employee representative bodies and to the obtaining of approvals from the competition regulatory authorities. This transaction is expected to be completed in the second half of 2017. The TOUAX Group has also decided to sell its Modular Buildings activity in the United States.

note 3.1. CONTRIBUTION TO EARNINGS FROM DISCONTINUED OPERATIONS OVER THE PERIODS PRESENTED:

Subgroup Touax Solutions Modulaires (European activity) <i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Total revenue	44 538	58 124	125 799
Gross operating margin (EBITDAR)	6 906	11 554	22 313
Operating income	(6 175)	2 176	3 250
Profit before tax	(9 164)	(906)	(3 016)
Income tax benefit (expense)	(231)	(924)	(2 300)
Net income	(9 395)	(1 829)	(5 317)
<i>Including owners of the parent company</i>	(12 869)	(1 828)	(5 322)
<i>Including non controlling interests (minority interests)</i>	3 474	(1)	5

Touax Modular Building USA (US activity) <i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Total revenue	2 348	1 844	4 482
Gross operating margin (EBITDAR)	(312)	(665)	(909)
Operating income	(739)	(1 080)	(1 961)
Profit before tax	(1 124)	(1 400)	(2 636)
Income tax benefit (expense)	155	138	288
Net income	(968)	(1 262)	(2 347)
<i>Including owners of the parent company</i>	(968)	(1 262)	(2 347)
<i>Including non controlling interests (minority interests)</i>			

Net income from discontinued operations includes net income from these activities and an additional goodwill depreciation of €1.4 million.

note 3.2. CONTRIBUTION TO ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS:

Assets and liabilities associated with assets of discontinued operations

Touax Solutions Modulaires (in thousands of euros)	06.2017
Goodwill	12 061
Intangible assets	181
Rental equipment & other property plant & equipment, net	157 336
Long-term financial assets	954
Investments in associates	
Other non-current assets	
Deferred tax assets	758
Total non-current assets	171 290
Inventory and work-in-progress	8 160
Trade receivables, net	15 802
<i>Including intra-group receivables</i>	
Autres actifs courants	4 342
<i>Including intra-group receivables</i>	726
Trésorerie et équivalents	3 636
Total current assets	31 940
Intra-group receivables against Touax SCA	(726)
Total Assets of discontinued operations	202 503
Loans and borrowings	17 788
Deferred tax liabilities	7 930
Employee benefits	275
Other long-term liabilities	1 227
Total non-current liabilities	27 219
Provisions	6 475
Loans and borrowings	17 037
Trade payables	14 220
<i>Including intra-group payables</i>	694
Other Current Liabilities	116 000
<i>Including intra-group payables</i>	102 544
Total current liabilities	153 732
Intra-group payables	(103 238)
Total Liabilities associated with assets of discontinued operations	77 713

Assets and liabilities associated with assets of discontinued businesses

Touax Modular Buildings USA		06.2017
<i>(in thousands of euros)</i>		
Goodwill		
Intangible assets		45
Rental equipment & other property plant & equipment, net		4 745
Long-term financial assets		26
Investments in associates		
Other non-current assets		
Deferred tax assets		2
Total non-current assets		4 819
Inventory and work-in-progress		39
Trade receivables, net		453
<i>Including intra-group receivables</i>		
Autres actifs courants		5 749
<i>Including intra-group receivables</i>		5 668
Trésorerie et équivalents		360
Total current assets		6 600
Intra-group receivables		(5 668)
Total Assets of discontinued operations		5 751
Loans and borrowings		
Deferred tax liabilities		
Employee benefits		
Other long-term liabilities		
Total non-current liabilities		
Provisions		
Loans and borrowings		
Trade payables		157
<i>Including intra-group payables</i>		
Other Current Liabilities		17 867
<i>Including intra-group payables</i>		17 558
Total current liabilities		18 024
Intra-group payables		(17 558)
Total Liabilities associated with assets of discontinued operations		466

Total liabilities related to Assets from discontinued operations also include the repayment of the debt held directly by TOUAX SCA for €101.8 million. Upon receipt of the funds arising from the transfer of the activities, this debt carried by TOUAX SCA will be repaid simultaneously (see note 17).

note 3.3. CONTRIBUTION TO CASH FLOW FROM DISCONTINUED OPERATIONS OVER THE PERIODS PRESENTED:

Consolidated Cash Flow Statement Touax Solutions Modulaires	06.2017	06.2016	12.2016
<i>(in thousands of euros)</i>			
Net income/(loss)	(9 395)	(1 829)	(5 317)
Depreciation and amortization	13 560	8 761	20 751
Change in deferred taxes	161	515	1 177
Capital gains & losses on disposals	(362)	(1 812)	(2 351)
Other non-cash income (expenses), net		(29)	(420)
Self-financing capacity after cost of net financial debt & tax	3 964	5 606	13 840
Net interest expense	2 944	3 049	6 167
Income tax paid	70	409	1 123
Self-financing capacity before cost of net financial debt & tax	6 978	9 064	21 130
Income tax paid	(70)	(409)	(1 123)
Change in working capital (excluding changes in inventory)	2 608	2 125	(18)
Change in inventory	(1 020)	(5 202)	(2 821)
Change in working capital related to rental equipment purchases	(562)	(168)	(1 493)
Purchase of rental equipment	(3 093)	(3 517)	(6 547)
Proceed from sale of rental equipment	1 689	4 414	6 316
Net impact of finance leases granted to customers	17	88	131
Sub-total	(2 969)	(4 385)	(4 415)
I CASH FLOW FROM OPERATING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS	6 547	6 395	15 574
Investing activities			
Acquisition of PPE and intangible assets	(123)	(304)	(1 114)
Acquisition of equity interests			
Net change in financial fixed assets	127	53	(181)
Proceed from sale of property, plant and equipment	1	3	3
Change in the scope of consolidation	(168)		3
II CASH FLOW FROM INVESTING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS	(163)	(248)	(1 289)
Financing transactions			
Receipt from borrowings	3 009	4 682	8 879
Repayments of borrowings	(8 292)	(10 338)	(18 943)
Net change in borrowings	(5 283)	(5 656)	(10 064)
Net increase in shareholders' equity (capital increase)			
Net interest expense	(2 944)	(3 049)	(6 167)
III CASH FLOW FROM FINANCING TRANSACTIONS GENERATED BY DISCONTINUED OPERATIONS	(8 227)	(8 705)	(16 231)
Effect of exchange rate fluctuations	62	(7)	(8)
IV CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS GENERATED BY DISCONTINUED OPERATIONS	62	(7)	(8)
CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)	(1 781)	(2 565)	(1 955)
Analysis of cash flow			
Opérations with Touax on borrowings and other financial liabilities	(1 371)	2 038	(1 115)
Cash position at start of year	3 366	4 206	4 206
CASH FLOW AT YEAR END FROM DISCONTINUED OPERATIONS	2 956	(397)	3 366
Change in net cash position from discontinued operations	(1 781)	(2 565)	(1 955)

Consolidated Cash Flow Statement Touax Modular Buildings USA		06.2017	06.2016	12.2016
<i>(in thousands of euros)</i>				
Net income/(loss)		(969)	(1 262)	(2 347)
Depreciation and amortization		426	395	1 118
Change in deferred taxes		31	27	58
Capital gains & losses on disposals		(38)	(19)	(39)
Other non-cash income (expenses), net		(3)	4	2
Self-financing capacity after cost of net financial debt & tax		(553)	(855)	(1 208)
Net interest expense		373	313	671
Income tax paid		(186)	(165)	(346)
Self-financing capacity before cost of net financial debt & tax		(366)	(707)	(883)
Income tax paid		186	165	346
Change in working capital (excluding changes in inventory)		(57)	33	(501)
Change in inventory		(23)	9	179
Change in working capital related to rental equipment purchases				
Purchase of rental equipment		(196)	(45)	(33)
Proceed from sale of rental equipment		219	90	163
Net impact of finance leases granted to customers		4		
	Sub-total	4	54	309
I CASH FLOW FROM OPERATING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS		(233)	(455)	(729)
Investing activities				
Acquisition of PPE and intangible assets		(8)	(12)	(57)
Acquisition of equity interests				
Net change in financial fixed assets		11	(54)	(8)
Proceed from sale of property, plant and equipment				
Change in the scope of consolidation				
II CASH FLOW FROM INVESTING ACTIVITIES GENERATED BY DISCONTINUED OPERATIONS		3	(66)	(65)
Financing transactions				
Receipt from borrowings		5		
Repayments of borrowings			(189)	(385)
Net change in borrowings		5	(189)	(385)
Net increase in shareholders' equity (capital increase)				
Net interest expense		(373)	(313)	(671)
III CASH FLOW FROM FINANCING TRANSACTIONS GENERATED BY DISCONTINUED OPERATIONS		(368)	(502)	(1 056)
Effect of exchange rate fluctuations		(27)	(2)	11
IV CASH FLOW FROM EXCHANGE RATE FLUCTUATIONS GENERATED BY DISCONTINUED OPERATIONS		(27)	(2)	11
V CHANGE IN NET CASH POSITION (I) + (II) + (III) + (IV)		(625)	(1 025)	(1 839)
Analysis of cash flow				
Opérations with Touax on borrowings and other financial liabilities		(705)	(1 203)	(1 958)
Cash position at start of year		280	161	161
CASH FLOW AT YEAR END FROM DISCONTINUED OPERATIONS		360	339	280
Change in net cash position from discontinued operations		(625)	(1 025)	(1 839)

note 4. SEGMENT INFORMATION

In accordance with IFRS 8 Operating Segments, the information presented below for each operating segment comes from the internal management discussion and analysis and is the same as that presented to the Group's management.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the consolidated income statements have been restated over the financial years presented (see note 3).

note 4.1. INCOME STATEMENT BY DIVISION

JUNE 30, 2017 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Shipping Containers	Other & Eliminations	TOTAL
Leasing revenue	24 755	7 259	44 396	(92)	76 318
Total Sales of Equipment	24 636	117	19 800	1 639	46 193
TOTAL REVENUES	49 391	7 376	64 196	1 548	122 511
Capital gain (loss) on disposals				4	4
INCOME FROM ORDINARY ACTIVITIES	49 391	7 376	64 196	1 552	122 515
Cost of sales	(22 581)	(199)	(18 232)	(1 813)	(42 826)
Operating expenses	(10 184)	(1 925)	(12 735)	(857)	(25 701)
General, commercial and administrative expenses	(4 496)	(1 719)	(4 748)	(225)	(11 189)
GROSS OPERATING MARGIN (EBITDAR)	12 129	3 533	28 480	(1 344)	42 799
Depreciation, amortization and impairments	(6 394)	(1 458)	(1 323)	(398)	(9 574)
OPERATING INCOME before distribution to investors	5 735	2 075	27 157	(1 742)	33 225
Net distributions to investors	(1 626)		(28 171)		(29 796)
CURRENT OPERATING INCOME	4 109	2 075	(1 014)	(1 742)	3 429
Other revenues (expenses), net	1 830				1 830
OPERATING INCOME	5 939	2 075	(1 014)	(1 742)	5 259
Net financial expense					(4 920)
Shares of profit/(loss) of associates					(65)
PROFIT BEFORE TAX					274
Income tax benefit (expense)					(94)
Earnings from retained businesses					180
Earnings from discontinued operations					(10 363)
NET INCOME OF CONSOLIDATED COMPANIES					(10 183)
Of which non-controlling interests (Minority interests) from retained businesses					253
Of which non-controlling interests (Minority interests) from discontinued operations					3 474
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(13 910)
Including earnings from retained businesses					(73)
Including earnings from discontinued operations					(13 837)

JUNE 30, 2016 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Shipping Containers	Other & Eliminations	TOTAL
Leasing revenue	18 293	5 857	46 960	222	71 332
Total Sales of Equipment	2 512	935	33 154	3 560	40 161
TOTAL REVENUES	20 805	6 792	80 114	3 782	111 493
Capital gain (loss) on disposals				5	5
INCOME FROM ORDINARY ACTIVITIES	20 805	6 792	80 114	3 786	111 498
Cost of sales	(2 010)	(239)	(30 852)	(3 312)	(36 414)
Operating expenses	(5 137)	(2 134)	(14 810)	(818)	(22 898)
General, commercial and administrative expenses	(4 348)	(2 258)	(4 476)	(472)	(11 555)
GROSS OPERATING MARGIN (EBITDAR)	9 309	2 161	29 976	(816)	40 631
Depreciation, amortization and impairments	(5 234)	(1 501)	(1 191)	(516)	(8 443)
OPERATING INCOME before distribution to investors	4 075	660	28 785	(1 332)	32 188
Net distributions to investors	(1 654)		(27 757)		(29 411)
CURRENT OPERATING INCOME	2 421	660	1 028	(1 332)	2 777
Other revenues (expenses), net					
OPERATING INCOME	2 421	660	1 028	(1 332)	2 777
Net financial expense					(5 049)
Shares of profit/(loss) of associates					1 136
PROFIT BEFORE TAX					(1 136)
Income tax benefit (expense)					(444)
Earnings from retained businesses					(1 580)
Earnings from discontinued operations					(3 092)
NET INCOME OF CONSOLIDATED COMPANIES					(4 672)
Of which non-controlling interests (Minority interests) from retained businesses					(305)
Of which non-controlling interests (Minority interests) from discontinued operations					(1)
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(4 366)
Including earnings from retained businesses					(1 275)
Including earnings from discontinued operations					(3 091)

DECEMBER 31, 2016 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Shipping Containers	Other & Eliminations	TOTAL
Leasing revenue	37 501	12 846	96 594	170	147 111
Total Sales of Equipment	11 368	1 024	66 290	6 866	85 549
TOTAL REVENUES	48 870	13 870	162 884	7 036	232 660
Capital gain (loss) on disposals				209	209
INCOME FROM ORDINARY ACTIVITIES	48 870	13 870	162 884	7 245	232 869
Cost of sales	(9 801)	(262)	(61 295)	(6 095)	(77 454)
Operating expenses	(10 452)	(5 403)	(34 560)	(1 314)	(51 729)
General, commercial and administrative expenses	(8 353)	(3 832)	(9 537)	(864)	(22 585)
GROSS OPERATING MARGIN (EBITDAR)	20 264	4 372	57 492	(1 028)	81 101
Depreciation, amortization and impairments	(10 578)	(2 974)	(3 050)	(999)	(17 601)
OPERATING INCOME before distribution to investors	9 686	1 398	54 442	(2 028)	63 500
Net distributions to investors	(3 667)		(54 215)		(57 882)
CURRENT OPERATING INCOME	6 019	1 398	227	(2 028)	5 618
Other revenues (expenses), net				(2 519)	(2 519)
OPERATING INCOME	6 019	1 398	227	(4 547)	3 099
Net financial expense					(10 722)
Shares of profit/(loss) of associates					2 058
PROFIT BEFORE TAX					(5 565)
Income tax benefit (expense)					(473)
Earnings from retained businesses					(6 038)
Earnings from discontinued operations					(7 664)
NET INCOME OF CONSOLIDATED COMPANIES					(13 702)
Of which non-controlling interests (Minority interests) from retained businesses					(2 124)
Of which non-controlling interests (Minority interests) from discontinued operations					5
CONSOLIDATED NET INCOME (LOSS), GROUP'S SHARE					(11 583)
Including earnings from retained businesses					(3 914)
Including earnings from discontinued operations					(7 669)

note 4.2. BALANCE SHEET BY DIVISION

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the consolidated balance sheet has been restated for 2017 (see Note 3).

June 30, 2017 (in thousands of euros)	Freight Railcars	River Barges	Shipping Containers	Other	TOTAL
ASSETS					
Goodwill	5 101			8 309	13 410
Intangible assets	586	8	200	81	875
Rental equipment & other PPE, net	207 217	50 472	36 484	4 894	299 067
Long-term financial assets	2 230	135	1 193	514	4 072
Investments in associates					
Other non-current assets	407	368	4 843		5 619
Deferred tax assets				122	122
TOTAL non-current assets	215 540	50 982	42 721	13 921	323 165
Inventory and work-in-progress	12 329	2	630	2 434	15 395
Trade receivables, net	7 304	2 995	15 310	2 149	27 758
Current Financial Assets	4 534				4 534
Other current assets	2 742	1 981	2 320	2 887	9 931
Cash and cash equivalents				39 618	39 618
TOTAL current assets	26 909	4 978	18 260	47 088	97 235
Assets of discontinued businesses					208 254
TOTAL ASSETS					628 654
LIABILITIES					
Share capital				56 092	56 092
Hybrid capital				50 161	50 161
Reserves				30 145	30 145
Profit (loss) for the fiscal year, Group's share				(13 910)	(13 910)
Equity attributable to the owners of the parent company				122 488	122 488
Non controlling interests (Minority interests)	29 899			(1 615)	28 284
Consolidated shareholders' equity				120 874	150 772
Loans and borrowings				136 161	136 161
Deferred tax liabilities				2 839	2 839
Employee benefits		20	57	204	281
Other long-term liabilities			4 087		4 087
TOTAL non-current liabilities		20	4 144	139 204	143 367
Provisions			4	215	219
Loans and borrowings				96 648	96 648
Trade payables	5 614	1 315	2 304	2 673	11 906
Other current liabilities	7 963	628	28 630	8 531	45 752
TOTAL current liabilities	13 577	1 943	30 938	108 068	154 525
Liabilities associated with assets of discontinued businesses					179 989
TOTAL LIABILITIES					628 654
Tangible & intangible investments during the period	3 158		201	(55)	3 305
Workforce by business	51	10	40	144	245

June 30, 2016 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Shipping Containers	Modular Buildings	Unallocated	TOTAL
ASSETS						
Goodwill	5 101			24 002		29 103
Intangible assets	595	17	236	278	27	1 153
Rental equipment & other PPE, net	194 249	54 138	41 926	179 844	860	471 017
Long-term financial assets	1 162	136	1 131	1 143	515	4 087
Investments in associates	4 003					4 003
Other non-current assets		2 050	78	9	649	2 786
Deferred tax assets					209	209
TOTAL non-current assets	205 110	56 341	43 371	205 276	2 260	512 358
Inventory and work-in-progress	32 066	14	3 524	12 222		47 826
Trade receivables, net	4 584	2 379	19 960	23 654	34	50 611
Other current assets	2 678	1 588	4 033	6 718	1 137	16 153
Cash and cash equivalents					15 609	15 609
TOTAL current assets	39 328	3 981	27 517	42 594	16 780	130 199
TOTAL ASSETS						642 557
LIABILITIES						
Share capital					47 071	47 071
Hybrid capital					50 161	50 161
Reserves					42 757	42 757
Profit (loss) for the fiscal year, Group's share					(4 366)	(4 366)
Equity attributable to the owners of the parent company					135 623	135 623
Non controlling interests (Minority interests)	21 177			(2 069)		19 108
Consolidated shareholders' equity					135 623	154 731
Loans and borrowings					232 779	232 779
Deferred tax liabilities					7 614	7 614
Employee benefits		16	53	185	156	410
Other long-term liabilities				2 546		2 546
TOTAL non-current liabilities		16	53	2 731	240 549	243 349
Provisions	190		4	1 952	113	2 259
Loans and borrowings					151 037	151 037
Trade payables	5 668	1 577	4 763	16 586	1 297	29 891
Other current liabilities	2 188	688	33 130	22 856	2 428	61 290
TOTAL current liabilities	8 046	2 265	37 897	41 394	154 875	244 477
TOTAL LIABILITIES						642 557
Tangible & intangible investments during the period						
	5 544	124	55	3 923	50	9 696
Workforce by business	51	9	40	848	39	987

December 31, 2016 <i>(in thousands of euros)</i>	Freight Railcars	River Barges	Shipping Containers	Modular Buildings	Unallocated	TOTAL
ASSETS						
Goodwill	5 101			21 688		26 789
Intangible assets	613	12	241	263	98	1 227
Rental equipment & other PPE, net	185 595	54 301	41 442	172 904	632	454 874
Long-term financial assets	1 337	138	1 290	1 120	292	4 177
Investments in associates	10 436					10 436
Other non-current assets		2 103	3 354	5		5 462
Deferred tax assets					964	964
TOTAL non-current assets	203 082	56 554	46 327	195 980	1 986	503 929
Inventory and work-in-progress	20 941	2	7 359	8 724		37 026
Trade receivables, net	5 278	2 890	15 860	27 456	64	51 548
Other current assets	3 550	1 075	3 328	3 629	1 165	12 747
Cash and cash equivalents					28 015	28 015
TOTAL current assets	29 769	3 967	26 547	39 809	29 244	129 336
TOTAL ASSETS						633 265
LIABILITIES						
Share capital					56 092	56 092
Hybrid capital					50 161	50 161
Reserves					44 609	44 609
Profit (loss) for the fiscal year, Group's share					(11 583)	(11 583)
Equity attributable to the owners of the parent company					139 279	139 279
Non controlling interests (Minority interests)	21 171			(3 701)		17 470
Consolidated shareholders' equity					139 279	156 749
Loans and borrowings					224 439	224 439
Deferred tax liabilities					9 555	9 555
Employee benefits		20	57	281	198	556
Other long-term liabilities			3 103	1 837		4 940
TOTAL non-current liabilities		20	3 160	2 118	234 192	239 490
Provisions			4	3 511	92	3 607
Loans and borrowings					140 378	140 378
Trade payables	4 565	1 532	4 306	15 492	1 718	27 613
Other current liabilities	2 519	625	38 361	21 985	1 938	65 428
TOTAL current liabilities	7 084	2 157	42 671	40 988	144 126	237 026
TOTAL LIABILITIES						633 265
Tangible & intangible investments during the period	8 160	172	131	7 802	49	16 314
Workforce by business	50	10	42	751	37	890

note 4.3. GEOGRAPHICAL SEGMENT REPORTING

<i>(in thousands of euros)</i>	International	Europe	Americas	Other	TOTAL
06.2017					
Total revenue	63 935	53 406	2 619	2 551	122 511
Tangible & intangible investments	116	2 440		749	3 305
Sectoral non-current assets	42 613	226 853	28 596	24 981	323 043
06.2016					
Total revenue	80 090	25 437	2 937	3 029	111 493
Tangible & intangible investments	55	5 109	57	4 475	9 696
Sectoral non-current assets	43 348	405 597	37 849	25 356	512 150
12.2016					
Total revenue	162 649	58 329	5 645	6 037	232 660
Tangible & intangible investments	131	9 500	92	6 591	16 314
Sectoral non-current assets	46 306	393 142	38 437	25 080	502 965

The geographical segments correspond to the location of Group companies, except for the shipping containers business which reflects the location of the assets, which is international by nature (international zone).

NOTES TO THE INCOME STATEMENT

note 5. REVENUE FROM ORDINARY ACTIVITIES

Breakdown by type <i>(in thousands of euros)</i>	06.2017	06.2016	Variation June 2016/2017	12.2016
Leasing revenue	76 318	71 332	6,99%	147 111
Sales of equipment	46 193	40 161	15,0%	85 549
TOTAL Revenue	122 511	111 493	9,9%	232 660
Capital gain (loss) on disposals	4	5	-20,0%	209
Revenue from ordinary activities	122 515	111 498	9,9%	232 869

note 6. PAYROLL EXPENSE

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Salaries and social security charges	(8 304)	(8 255)	(15 747)
Workforce	245	237	242

note 7. NET DISTRIBUTIONS TO INVESTORS

Net distributions to investors are broken down by division as follows:

<i>(in thousands of euros)</i>	06.2017	06.2016	Variation June 2016/2017	Variation (en %)	12.2016
Shipping Containers	(28 170)	(27 757)	(413)	1,5%	(54 215)
Freight Railcars	(1 626)	(1 654)	28	-1,7%	(3 667)
TOTAL	(29 796)	(29 411)	(385)	1,3%	(57 882)

note 8. OTHER OPERATING REVENUES (EXPENSES), NET

In 2017, other operating income and expenses reflect the impact of the change in consolidation method of TOUAX Rail Finance 3. This entity was accounted for by the equity method in 2016 and is fully consolidated in the consolidated financial statements in 2017. This change in the integration method positively impacts the result by €1.8 million euros in 2017.

In 2016, other operating income and expenses record Goodwill depreciation of the Modular Buildings activity in the Africa zone equal to €2.5 million.

note 9. NET FINANCIAL EXPENSE

(in thousands of euros)			Variation June	
	06.2017	06.2016	2016/2017	12.2016
Interest income	48	138	(90)	146
Interest expense	(5 326)	(4 847)	(479)	(9 453)
Cost of loans and borrowings	(5 326)	(4 847)	(479)	(9 453)
Net interest expense	(5 278)	(4 709)	(569)	(9 307)
Profit and loss on debt extinguishment	446	2	444	309
Financial income and charges from discounting	(38)	5	(43)	(11)
Other financial income and charges	(50)	(347)	297	(1 713)
Other financial income (expenses), net	358	(340)	698	(1 415)
NET FINANCIAL EXPENSE	(4 920)	(5 049)	129	(10 722)

Net financial expenses increased by €0.5 million. This increase was mainly due to the variation in the average interest rate between the two periods. The increase in the average interest rate was primarily due to a new financing negotiated by the Group since June 2016.

note 10. INCOME TAX EXPENSE

The income tax expense included on the income statement is broken down as follows:

(in thousands of euros)	06.2017			06.2016			12.2016		
	Payable	Deferred	Total	Payable	Deferred	Total	Payable	Deferred	Total
Europe	(28)	(131)	(160)	(32)	166	134	(38)	370	332
United States		80	80	(165)	3	(162)	(351)	(357)	(708)
Other	(13)		(13)	(384)	(32)	(416)	(3)	(94)	(97)
TOTAL	(42)	(52)	(94)	(581)	137	(444)	(392)	(81)	(473)

Income tax records a tax expense of €0.1 million for pre-tax income before tax of €0.3 million.

note 11. NET EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the company's net income by the weighted average number of outstanding shares during the period. Treasury shares are accounted in deduction.

Diluted income per share is calculated by adjusting the weighted average number of outstanding shares, to take into account the conversion of all potentially dilutive equity instruments. At 30 June 2017, the Group did not have any potentially dilutive equity instruments owing to a negative net result.

	06.2017	06.2016	12.2016
Net earnings in euros	(13 910 154)	(4 366 024)	(11 582 622)
Outstanding shares	7 011 547	5 883 816	7 011 547
Weighted average number of outstanding ordinary shares	7 004 625	5 874 990	6 362 826
Potential number of shares			
- 2007 exercisable/tradable redeemable equity warrants			
- 2015 bond (ORNANE)			
Weighted average number of shares for calculation of the diluted earning per share	7 004 625	5 874 990	6 362 826
NER EARNINGS PER SHARE			
- basic	(1,99)	(0,74)	(1,82)
- diluted	(1,99)	(0,74)	(1,82)

NOTES TO THE BALANCE SHEET

note 12. GOODWILL

Variation in goodwill is as follows:

<i>(in thousands of euros)</i>	06.2016	12.2016	Increase	Reduction	Currency translation adjustment	Discontinued operations	06.2017
Modular Buildings							
Siko Containerhandel GmbH	1 583	1 583				(1 583)	
Touax Sro - Touax SK Sro	11 486	11 533			360	(11 893)	
Touax Maroc/Ramco sarl	10 933	8 572			(263)		8 309
Freight Railcars							
SRF Railcar Leasing	547	547					547
Touax Rail Limited	4 554	4 554					4 554
TOTAL	29 103	26 789			97		13 410

note 13. RENTAL EQUIPMENT & OTHER PROPERTY, PLANT & EQUIPMENT

note 13.1. BREAKDOWN BY TYPE

<i>(in thousands of euros)</i>	06.2017			06.2016	12.2016
	Gross value	Amort.	Net value	Net value	Net value
Land and buildings	6 141	(2 604)	3 537	8 259	8 239
Equipment	386 045	(92 523)	293 522	458 045	442 639
Other tangible fixed assets	7 984	(6 795)	1 189	3 101	3 405
Current tangible fixed assets	819		819	1 612	591
TOTAL	400 988	(101 921)	299 067	471 017	454 874

note 13.2. CHANGES IN GROSS VALUE, BY TYPE

<i>(in thousands of euros)</i>	01.01.2017	Purchases	Sales	Variation in conversion	Discontinued operations	Reclassification and inclusion in the perimeter	06.2017
Land and buildings	12 309	81		(97)	(6 196)	43	6 140
Equipment	660 907	4 600	(26 301)	(5 645)	(289 658)	42 143	386 045
Other tangible assets	14 859	177	(64)	(106)	(6 850)	(33)	7 983
Tangible assets in progress	591	1 821		(16)	(346)	(1 231)	819
Discontinued operations		(3 405)	8 333	(1 403)	(3 315)	(210)	
TOTAL gross values	688 666	3 274	(18 032)	(7 267)	(306 365)	40 712	400 988

note 14. NON-CURRENT FINANCIAL ASSETS

- Long-term financial assets at June 30, 2017 totalled €4.1 million compared to €4.1 million at December 31, 2016. There was no significant change in this item.

Restatement related to the application of IFRS 5 reduces the long-term financial asset item to approximately €1 million. This restatement is offset by TXRF4 securities held as long-term assets for €0.9 million. TXRF4 securities are reclassified as short-term financial assets for the portion to be sold in the second half of the year at an amount of €4.5 million

TXRF4 securities were classified as Investments in Associate Companies in 2016 for €5.5 million.

The other amounts on 30 June 2017 mainly consist of a loan of €1.2 million to SRF1 and deposits of guarantee for the balance.

- Other non-current assets totalled €5.6 million at June 30, 2017.

They comprise the one-year portion of finance leases granted to customers for €0.7 million, trade receivables with a maturity of more than one year for €4.5 million and a VAT receivable which will be recovered over the term of the customer rental contract in India.

- Shareholdings in associate companies amounted to €10.4 million on 31 December 2016 and represented investment in the structures TRF3 and TXRF4.

There are no longer any shareholdings in associate companies as of 30 June 2017.

Following the purchase of 3.3 million additional shares in TRF3, TOUAX Group has consolidated this entity using the full consolidation method since January 2017.

Concerning TXRF4, the Group made a contribution in kind of €0.4 million in the first half of 2017 and transferred 1 million shares. The Luxembourg SICAV invested in TXRF4 in June 2017, resulting in the dilution of the TOUAX Group (shareholding brought to 18%). Consequently, TXRF4 was deconsolidated on 30 June 2017 in accordance with the criteria of IFRS 10 and 11. TXRF4 securities were sold in July 2017 for an amount of 4.5 million, leaving TOUAX a 3% shareholding in this structure.

note 15. INVENTORIES AND WORK IN PROGRESS

Inventories and WIP include equipment to be sold as well as spare parts. The equipment is mainly intended to be sold to investors under asset management programs.

<i>(in thousands of euros)</i>	06.2017			06.2016	12.2016
	Gross value	Depreciation	Net value	Net val.	Net val.
Equipment	3 533	(361)	3 172	35 854	24 615
Spare parts	12 223		12 223	11 972	12 411
TOTAL	15 756	(361)	15 395	47 826	37 026

Inventories from discontinued operations have been reclassified for €8.2 million on the balance sheet line (Assets linked to Non-Current Assets Held for Sale and Discontinued Operations).

note 16. OTHER CURRENT ASSETS

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Sales of fixed assets		19	3
Accrued expenses	2 856	4 369	3 310
Taxes & duties	3 545	7 163	5 994
Receivables due within 1 year - Finance lease	1 405	936	926
Other	2 125	3 666	2 514
TOTAL	9 931	16 153	12 747

Other current assets from discontinued operations have been reclassified for €3.7 million on the balance sheet line (Assets linked to Non-Current Assets Held for Sale and Discontinued Operations).

note 17. FINANCIAL LIABILITIES

Non-current and current financial liabilities correspond to loans and borrowings and current bank loans.

Analysis of financial liabilities by category

The table below shows the group's debt on 30 June 2017, without taking into account the debt from discontinued operations (Touax Solutions Modulaires, Touax Modular Building and the repayment of part of the so-called "corporate" debt).

It should also be noted that IFRS 5 is not retroactive in relation to the balance sheet items and therefore the 2016 data (December and June 2016) have not been modified and still take into account discontinued operations.

<i>(in thousands of euros)</i>	06.2017			06.2016			12.2016		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Bond	29 430	895	30 325	43 739	859	44 598	43 911	480	44 391
Medium-term loans with recourse	14 899	2 645	17 544	51 095	13 296	64 391	46 423	25 056	71 479
Finance lease commitments	7 132	2 168	9 300	29 060	15 134	44 194	25 855	13 515	39 370
Renewable credit with recourse	734	3 206	3 939	36 670	9 038	45 708	37 213	3 044	40 257
Renewable credit without recourse	83 966	86 036	170 002	72 216	104 412	176 627	71 038	96 015	167 053
Current bank facilities with recourse		575	575		6 370	6 370		438	438
Current bank facilities without recourse		41	41		531	531		470	470
Derivative liabilities with recourse		156	156		4	4		362	362
Derivative liabilities without recourse		927	927		1 393	1 393		998	998
TOTAL FINANCIAL LIABILITIES	136 161	96 648	232 809	232 779	151 037	383 817	224 439	140 378	364 817

Debts "without recourse" are not secured by TOUAX SCA the parent company of the Group. They concern:

- Financing of assets for which the debt must be serviced from income generated by the assets (both leasing revenue and proceeds from sale);
- Funding granted to subsidiaries that are fully integrated although they are not wholly-owned by the Group.

The following table presents, in the same format, the financial liabilities presented under discontinued operations on 30 June 2017:

<i>(in € thousands)</i>	06.2017		
	Non current	Current	Total
Corporate debt			
Bond with recourse	15 000		15 000
Medium term loans with recourse	20 000	30 300	50 300
Renewable credit with recourse	36 518		36 518
TOTAL FINANCIAL LIABILITIES - CORPORATE DEBT	71 518	30 300	101 818
Financial debt of the subgroup TSM (European activity):			
Medium long term loan with recourse	2 948	2 051	4 999
Finance lease commitments with recourse	14 791	9 864	24 656
Renewable credit with recourse	48	4 443	4 491
Current bank facilities with recourse		680	680
TOTAL FINANCIAL LIABILITIES - Debt of the subgroup TSM (European activity)	17 787	17 038	34 825
TOTAL FINANCIAL LIABILITIES	89 305	47 338	136 643

Change in indebtedness

On 30 June 2017, consolidated net indebtedness, excluding discontinued operations except for the 2016 closing, is as follows:

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Financial liabilities	232 809	383 817	364 817
Derivative instruments asset		649	
Cash assets & Negotiable securities	39 618	15 609	28 015
Consolidated net financial indebtedness	193 191	367 558	336 802
Non-recourse debt	170 970	178 552	168 521
Financial indebtedness excluding non-recourse debt	22 221	189 007	168 281

The net financial indebtedness of discontinued operations consists of the following:

<i>(in thousands of euros)</i>	06.2017
Financial liabilities	136 643
Derivative instruments asset	
Cash assets & Negotiable securities	3 996
Consolidated net financial indebtedness	132 647
Non-recourse debt	
Financial indebtedness excluding non-recourse debt	132 647

The definition of the financial covenants resulting from the bank documentation does not specify the methods for taking into account IFRS 5 in their determination. As a result, the Group has carried out the covenant calculations without taking into account the reclassifications imposed by IFRS 5 and all ratios were met on 30 June 2017.

note 18. SHAREHOLDERS' EQUITY

Details of Shareholders' Equity are given in the Schedule of Changes in Shareholders' Equity.

I Management of capital

The Group's objective in managing its equity is to maximize the company's value by arranging for an optimal capital structure that minimizes the cost of capital and ensures the best possible return to stockholders.

The Group manages its borrowing structure by optimizing its debt/equity ratio in the light of changes in economic conditions, its own objectives, and management of its risks. It assesses its working capital requirements and its expected return on investment, in order to control its financing requirements. Depending on the growth of its market and expectations of managed assets' profitability, the Group decides whether to issue new equity or to sell assets to reduce its debt.

I Hybrid debt

The Group made two issues of Undated Super Subordinated Notes (TSSDI) in 2013 and another in 2014, constituting a single stub to the amount of €50.8 million. The Group has the option to pay them back at par value from August 2019. They entitle holders to an annual coupon at a fixed rate of 7.95% during the first six years. The mandatory payment of the coupon depends on the payment of a dividend by the parent company. In accordance with IFRS standards, these securities are accounted for as equity. This financial instrument enhances the structure of the Group's balance sheet when considering the lifetime of the Group's assets and its business development financing requirements.

Hybrid debt				
<i>(in thousands of euros)</i>	Part 1	Part 2	Part 3	TOTAL
Issue price	20 525	12 250	18 025	50 800
Costs	-481	-156	-2	-639
Hybrid debt after deduction of loan issuing charges	20 044	12 094	18 023	50 161
Coupons received		301	1 158	1 460
TOTAL	20 044	12 395	19 182	51 621

No dividends were distributed for the 2016 revenue and consequently no liability for payment of the second was recognised in the accounts at 30 June 2017.

note 19. PROVISIONS

<i>(in thousands of euros)</i>	2016	Allocation	Reversal used	Reversal not used	Exchange rate fluctuations	Discontinued operations	06.2017
Shipping Containers	4						4
Modular buildings	3 511	150			(3)	(3 443)	215
Unallocated	92		(92)				
TOTAL	3 607	150	(92)		(3)	(3 443)	219

note 20. OTHER CURRENT LIABILITIES

<i>(in thousands of euros)</i>	06.2017	06.2016	12.2016
Capital creditors	48	6 407	7 591
Tax and social security liabilities	7 833	12 408	13 245
Accounts payable	30 126	31 036	36 251
Other current liabilities	3 816	6 354	4 477
Deferred revenue	3 929	5 084	3 863
TOTAL	45 752	61 289	65 428

Accounts payable mainly constitute income due to investors from the Shipping Containers and Freight Railcars businesses.

note 21. OFF-BALANCE SHEET COMMITMENTS

note 21.1. OPERATING LEASES

<i>(in thousands of euros)</i>	Total	less than one year	1 to 5 years	over 5 years
Operating leases	9 930	3 084	6 193	653
<i>including property (offices)</i>	4 412	1 318	2 441	653
<i>including River Barges</i>	1 735	992	744	
<i>including Shipping Containers</i>	3 782	774	3 008	
TOTAL	9 930	3 084	6 193	653

On 30 June 2017, operating lease commitments include the sum of the remaining minimum lease payments due under these contracts and mainly relate to barges and containers as well as property.

The table above excludes operating leases from discontinued operations. The latter represent only operating property leases and for the amounts shown in the table below:

<i>(in thousands of euros)</i>	Total	less than one year	1 to 5 years	over 5 years
Operating leases	10 056	2 651	6 337	1 068
<i>including property (offices)</i>	10 056	2 651	6 337	1 068
TOTAL	10 056	2 651	6 337	1 068

note 21.2. OFF BALANCE SHEET FINANCE LEASES

Off balance sheet finance leases concern finance leases from financial institutions for which the Group acts as an intermediary in the management of financing flows with the final lessee. The Group's obligation to pay the rents to financial institutions is limited to the receipt of the corresponding rents by sub-tenant clients under their own contractual obligations.

The Group therefore classifies finance leases as "off-balance sheet" when the credit involved in the finance lease has been sold on to a financial institution or an investor, and the conditions for deconsolidating a financial asset defined in IAS 39 § 18b, §19 and §20 have been met. There can be no recourse against the Group for such contracts.

Lease payments received are recognized under Leasing Revenues.

Lease payments still to be received under these contracts are as follows:

<i>(in thousands of euros)</i>	Rents to be received at			
	30/06/2017	1 year	1 to 5 years	>5 years
Shipping containers	7 023	5 254	1 769	
Total	7 023	5 254	1 769	

Lease payments still to be paid under these contracts (if the Group has received the rents from the final tenant) are as follows:

<i>(in thousands of euros)</i>	Rents to be paid at			
	30/06/2017	1 year	1 to 5 years	>5 years
Shipping containers	6 792	5 084	1 708	
Total	6 792	5 084	1 708	

It should be noted that there is no off-balance sheet financing lease on discontinued operations.

note 21.3. OTHER COMMITMENTS

■ Bank guarantees issued on the Group's behalf (excluding discontinued operations) at June 30, 2017

<i>(in thousands of euros)</i>	Amount	Maturity date
Bank guarantee	840	
Touax Africa	789	Undated
Freight Railcars	50	2 019

Bank guarantees issued on behalf of discontinued operations on 30 June 2017 were:

<i>(in thousands of euros)</i>	Amount	Maturity date
Bank guarantee	2 091	
Discontinued operations	2 091	Undated

■ Firm orders for equipment

Firm orders and investments at June 30, 2017 amounted to €8.53 million, including €7.37 million for freight railcars and €1.16 million for shipping containers.

Discontinued operations have not placed an order or made an investment as of 30 June 2017.

■ Secured debt provided

To guarantee the loans granted to finance the Group's proprietary assets (excluding leasing agreements) and assets under management, TOUAX SCA and its subsidiaries (excluding discontinued operations) have granted the following security interests:

<i>(in thousands of euros)</i>	Commencement	Maturity	30 June 2017		
			Asset pledged (gross value)	Total of balance sheet item (gross value)	%
Mortgages (river barges)			24 553	75 900	32,3%
	2012	2020	4 995		
	2012	2019	9 779		
	2013	2020	9 779		
Tangible assets pledged			272 940	332 197	82,2%
Modular Buildings				6 188	
Shipping Containers				45 090	
	2014	2017	41 977		
Freight Railcars				280 918	
	2014	2017	41 064		
	2015	2017	936		
	2006	2017	9 577		
	2008	2018	26 650		
	2011	2021	14 241		
	2015	2020	91 023		
	2015	2020	15 024		
	2015	2020	26 755		
	2016	2026	5 693		
TOTAL			297 493	408 097	

The security interests granted (mortgages, pledges and others guarantees) can be redeemed by repayment of the borrowings. No other special conditions apply.

With regard to discontinued operations, the guarantees granted on 30 June 2017 are as follows:

	Commencement	Maturity	30 June 2017		%
			Asset pledged (gross value)	Total of balance sheet item (gross value)	
<i>(in thousands of euros)</i>					
Tangible assets pledged			16 577	306 195	5,4%
Discontinued operations				306 195	
	2014		3 776		
	2010	2017	2 797		
	2011	2020	10 004		
TOTAL			16 577	306 195	

I Guarantees

Guarantees are given by the parent company in return for the bank loans granted to its subsidiaries (excluding discontinued operations).

<i>(in thousands of euros)</i>	less than one year	1 to 5 years	more than 5 years	TOTAL
Securities given to banks in consideration of bank loans used by the subsidiaries - remaining capital	4 949	31 307		36 257

The guarantees given by the company on behalf of the discontinued operations are as follows:

<i>(in thousands of euros)</i>	less than one year	1 to 5 years	more than 5 years	TOTAL
Securities given to banks in consideration of bank loans used by discontinued operations - remaining capital	6 508	23 706	12	30 226

note 22. POST BALANCE SHEET EVENTS

I Payment of a coupon to the TSSDI holders

The coupon was paid in August 2017 for a total of €4 million.

I Sale of TOUAX Solutions Modulaires

The share purchase agreement of the European activities was signed on 4 August 2017.

3. ATTESTATION BY THE AUTHORS OF THE HALF-YEAR FINANCIAL REPORT

"We certify that, to the best of our knowledge, the condensed consolidated half-year financial statements for the past half year have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the company and of all of the companies included in the consolidation perimeter, and that the half-year progress report gives a true and fair view of the important events that occurred during the first six months of the financial year, their impact on the financial statements, the main related-party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

August 31, 2017

Fabrice and Raphaël Walewski,

Managing Partners

4. STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL REPORT

This is a free translation into English of the statutory auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Dear Shareholders,

In accordance with our appointment as statutory auditors by your Annual General Meeting and pursuant to the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements, for the six-month period from January 1 to June 30, 2017;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements have been prepared under the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of the executive management team responsible for financial and accounting matters, and applying analytical and other review procedures. These inquiries are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements taken as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verifications

We have also verified the information provided in the half-year management report in respect of the condensed consolidated half-year financial information, which were subject to our limited review. We have no matters to report on the fairness of this information and its consistency with the condensed consolidated half-year financial statements.

Paris and Neuilly-sur-Seine, August 31, 2017

The Statutory Auditors

RSM PARIS

Stéphane MARIE

Deloitte & Associés

Jean-François VIAT