

## HISTORY OF THE TOUAX GROUP

This was written in November 2003 by Alexandre Walewski from the minutes from the boards of directors of the companies, *Société Générale de Touage* (SGTR), *Touage Investissement*, Touax SA, several principal subsidiaries of the Touax Group, and his observations in the field for more than 43 years. Alexandre Walewski also made use of written and oral remarks from many of his predecessors and group executives.

### 1853

Léon Molinos is the originator and founder of the group's first company, "*Compagnie de Touage de la Basse Seine et de l'Oise*" (TBSO). The French word "*TOUAGE*" is derived from the Scandinavian and Frankish words, "*Taorn*" and "*Taga*", meaning to pull and to tow. The English word, "tow", has the same origin.

The following imperial decree signed by Napoleon III on 6 April 1854 allows its creation:

"By the grace of God and the will of the nation, Emperor of the French, to all present and coming, greetings. Based on the report by our Minister Secretary of State with the Department of Agriculture, Trade and Public Works; In view of the request made by Mr. Godeaux (Eugène the younger, seeking the authorization to establish a towage service using submerged chain on the Seine and the Oise, between the Monnaie lock, on the Seine and the Pontoise lock, on the Oise; In view of the materials of investigations opened concerning this request in Paris, Rouen and Compiègne; In view of the recommendation of the Paris Chamber of Commerce dated 16 September 1853; In view of the recommendation of the Rouen Chamber of Commerce of 30 December 1853; in view of the letter from the chief commissioner of the Paris police, dated 26 December 1853; in light of the recommendation of the General Council of Highways dated 16 March 1854; have decreed and decree the following:

Art 1. Mr. Godeaux (Eugène) the younger is authorized to establish at his expense, risk and peril, between the Monnaie lock, on the Seine, and the Pontoise lock, on the Oise, a submerged chain towage service to tow boats that sail between these two locks, everything in accordance with the clauses and conditions of the specifications formulated on 4 April 1854 by our Minister of Agriculture, Trade and Public Works.

These specifications will remain appended hereto.

Art 2. Our Minister of Agriculture, Trade and Public Works is responsible for executing this order, which will be included in the law bulletin."

Drawn up at the *Palais des Tuileries* on 6 April 1854"

Signed NAPOLEON

### 1854

Preparation of the second imperial decree, which will be signed on 14 July 1855 and which will authorize the creation of the company, "*Compagnie du Touage de la Basse Seine et de l'Oise*" (TBSO), which acquires Eugène Godeaux's equipment. Towage with continuous chain submerged at the bottom of the river is made up of towboats equipped with coal boilers creating steam, which activates a piston engine, which in turn activates gears around which the chain is wound, moving the boat.

The towboat's energy is used efficiently, because it is supported by the fixed point that is the continuous chain submerged in the river.

Towboats tow long lines of lighters and barges, which supply economic hubs with coal, grains, sugar, beets, cement, and sand, etc.

The founder, Léon Molinos, enters the *Ecole des Arts et Manufactures* (central school) and finishes head of his class in 1851. He is the inventor and pioneer of magnetic adhesion mountain railways. He builds the metal bridge in Asnières while he is working for the railroad of St. Germain. Together with his central school classmate, Pronnier, Molinos invents a new type of traditional boiler, called Molinos and Pronnier, which is very successful. They publish the first French work on metal bridges together, and, still with Pronnier, in 1853, Molinos completes his *Touage* (towage) project with submerged chain featuring mechanical adhesion and which, fortunately, is complemented in 1884 through the use of magnetic adhesion (Molinos de Bovet system), which improves operations significantly.

In 1860, Molinos builds the first funicular railway for travelers in France, and, using magnetic adhesion, that of the Croix Rousse in Lyon. After 1862, he builds simultaneously again two other mountain railway lines, in Ciudad real in Badajoz and Pontsericout.

In 1881, Molinos founds, with *Mirabaud et Cie*, the *Sté Française d'Etudes d'Entreprises* (SFEE), on which he draws a lot, as well as a dozen companies, including several which still continue and in which he still takes only small financial interest. He is also the forebear of the Colonna Walewski family (current leader of the Touax Group, in its fifth generation).

### 1855

Text of the imperial decree authorizing the creation of the TBSO:

NAPOLEON,

By the grace of God and the will of the nation, Emperor of the French, to all present and coming, greetings.

Based on the report of our Minister Secretary of State with the Department of Agriculture, Trade and Public Works;

In view of articles 24 and 37, 40 and 45, of the commercial code;

Having listened to our Council of State:

Have decreed and decree the following:

Article 1. The company formed in Paris under the name *Compagnie de Touage et de la Basse Seine et de l'Oise* is authorized.

The statutes of said Company are approved, as they are contained in the deed executed on 4 July 1855 before Mr. Bazin Esq. and his colleague, lawyers in Paris; this deed will remain appended hereto.

Article 2. This authorization may be revoked in the event of a breach or non-fulfillment of the statutes approved without prejudice to the rights of third parties.

Article 3. Every six months, the Company will be required to submit an extract of its progress report to the Minister of Agriculture, Trade and Public Works, Chamber of Commerce, and the commercial court registry in Paris.

Article 4. Our Minister Secretary of State with the Department of Agriculture, Trade and Public Works is responsible for executing this order, which will be published in the law bulletin included in the Monitor and in a newspaper with judicial announcements for the

Seine department, and registered with the memorandum of association in the Seine commercial court registry.

Drawn up at the *Palais des Tuileries* on 14 July 1855

Signed: NAPOLEON

By the Emperor

The Minister Secretary of State with the Department of Agriculture, Trade and Public Works,

Signed: E. Rouher

For exemplification: the Secretary General, signed: Boureuille

The first three towboats are built in Hull in England, Malakoff – Napoleon – Seine

1856 - The Oise towboat is built in Hull

1857 – The towboats, Crimée, Monitor, and Charleroi, are built in Hull. All of these towboats have a seven-man crew and 100 HP steam engine.

1882

In Rouen, the brothers Frédéric and Gustave Williams, founders of *Société de Touage et de Remorquage sur la Seine et sur l'Oise* (TRSO), lease and purchase the first “*guêpe*” tugs. At this time, one to ten 75 horsepower “*guêpes*” are ordered from worksites in Nantes, intended for the Oise.

1884

Four “*Guêpes*” operate on the Seine.

1885

TRSO, which operates the towage service from Conflans to Paris, has four magnetic propeller towboats built: Arago, Ampère, Paris and Conflans.

1895

TBSO and TRSO merge their operations.

1898

“*Société Générale de Touage et de Remorquage*” (SGTR) is created through the merger of “*Compagnie du Touage de la Basse Seine et de l'Oise*” and “*Société de Touage et de Remorquage de l'Oise*” (TBSO and TRSO).

SGTR’s first board of directors is made up of Messrs. Molinos, de Bovet, Chandora, Guitton, Meyer, and F Williams. Léon Molinos, Chairman of the *Compagnie des Forges et Aciéries de Marine Homécourt* (one of France’s first steel groups) is elected chairman again.

The board appoints F. Williams and A. de Bovet as managing directors. Mr. G. Williams is appointed director, Mr. Lavaud, a central school graduate, is appointed chief engineer and Mr. Avril is appointed engineer.

The company’s financial landscape is made up of the Molinos, Hottinguer, de Bovet, Chandora, Guitton (shipowning family in Nantes) Meyer Borel and Williams families. The three principal banks will be Mirabaud, Meyer Borel and Crédit Lyonnais.

The company sets up its headquarters and offices at 19 rue d'Athènes in the ninth district in Paris and purchases land in Andresy at the junction of the Seine and the Oise to set up offices and workshops there.

The company operates propeller tugs and towboats that all move via steam on the Seine and the Oise. The standard tug costs FRF 50,000 to build. The company consumes 30,000 T to 40,000 T of coal a year.

The big towboats tow 10 to 20 boats at a speed of 3.5 km per hour. The towboats tow two to ten boats with the water current.

Tonnage to tow is growing. In 1898, SGTR tows 7,152 boats (4,384 by towboat and 2,768 by tug) on the Seine out of a total of 9,586 boats, i.e. 74.6% of the traffic. SGTR tows 13,286 boats on the Oise, out of a total of 19,691, i.e. 67.47%.

Sales for financial year 1898 stand at FRF 2,030,680 and net profit is FRF 593,618.

#### 1899

SGTR possesses 37 “guêpes”.

#### 1900

Profit for the financial year stands at FRF 600,000, despite a sharp increase in the price of coal.

#### 1902

Mr. André Colonna Walewski, son-in-law of Mr. Léon Molinos, Chairman of SGTR, is elected administrator. He started out with a military career, leaving as an officer with the St Maixent infantry school.

#### 1904

The competition that existed in towing with the “*Compagnie du Touage de Conflans à la Mer*” and the “*Société des Remorquages Fluviaux*” increases with the acquisition of the equipment of these two companies by the shipping company, HPLM, which creates the company, “*Les Remorqueurs*”.

In order to fend off this competition, a contract is considered with the transport firm, Sénécaux, Patin and Delquigny.

#### 1905

An agreement is reached between our company, the “*Seine*”, “*Union Normande*” and Messrs. Sénécaux, Patin and Delquigny, with the aim of organizing transport on the Seine between Rouen and Paris and regulating towing conditions over this same route.

Lacking transport resources, the Sénécaux firm asks SGTR to loan it FRF 300,000 in order to keep its transport commitments and to buy boats. SGTR agrees to a loan of FRF 100,000 with 4% interest, enabling Sénécaux to acquire 17 boats and bring the fleet to 80 units.

But this number is not enough, and the need to increase this fleet to 150 boats soon must be considered, in order to be able to meet transport needs on the Seine.

SGTR makes a loan agreement for a maximum of FRF 300,000 to buy these boats, which will then be sold by installment to bargemen, who will pay the price through leasing arrangements made with the transport department.

SGTR makes an agreement with the French company, “*Les Remorqueurs*”, with a view to an agreement on the two companies’ towing services.

#### 1906

The board decides to build 15 wooden lighters carrying 550 T for FRF 21,000 per unit with an additional option for 15 at the same price and that will be leased to Messrs. Sénécaux Patin and Delquigny. SGTR possesses 50 “*guêpes*” and obtains the official listing of its 40,000 shares at FRF 100 and 9,000 founders’ shares on the exchange agents’ trading floor of the Paris Bourse. A bond issue is launched to keep up with Sénécaux’s transport needs.

#### 1907

A competing towing company, “*La Pénichienne*”, is created by a Mr. Chavonin, which the company has had to take to court several times for abuse and defamation. It operates five tugs leased to a Belgian. SGTR orders six 350 T wooden lighters and two tugs, the steam engines of which will be built in SGTR workshops in Creil, and launches the construction of the first ten 500 T lighters in riveted steel. Another bond issue is launched worth FRF 1,000,000.

#### 1908

A commercial agreement for joint operation of their transport equipment is signed between SGTR and Messrs. Sénécaux, Patin and Delquigny. After this agreement, SGTR must, as from 1 January 1909, make available the participation of lighter equipment with total capacity of 24,000 T. This equipment would comprise:

Twenty 300 T wooden lighters = 6,000 Tons

Fifteen 500 T wooden lighters = 7,500 Tons

Ten 500 T steel lighters = 5,000 T

Eight 700 T steel lighters = 5,600 T

Total: 24,100 Tons

A large portion of this equipment is already delivered or has been ordered – the final eight 700 Ton steel lighters remain, which the board decides to order from the Rousseau construction site in Rouen at the price of 36,000 per unit.

The company wins its case prepared for defamation against the company, Chavonin, and *Groupement Général de la Batellerie*, which must pay it FRF 10,000 in damages and include the ruling in three newspapers.

Mr. Albert Mirabaud hands in his resignation and his son, Jacques, is co-opted by the board of directors.

Chairman Léon Molinos is concerned about the decreased traffic observed on the Oise, with signatory contracts with bargemen towing with “*guêpes*” having decreased constantly since 1904, when they reached 7,010, falling to 5,111 at the end of 1907.

Mr. de Bovet, managing director of the company since its creation in 1898, dies.

Messrs. Frédéric Williams, managing director, Gustave Williams, director, and Charles Lavaud assistant director, are appointed representatives of the company with the board of management of participation with Messrs. Sénécaux, Patin and Delguigny, which will apply as of 1 January 1909.

### 1909

A contract is signed between SGTR and the principal chartering firms in the north and Pas de Calais with the intention of fighting the competition to which the Oise departments are subject – the effect of this competition is to entice the company’s clientele away. The objective is to get them to agree to a right of first refusal – for a remuneration – for chartering their boats, to bargemen who have signed towing contracts with SGTR.

Each year, the services have to suffer high water, low-water levels, fog or ice for several weeks. An adapted ice plow on the front of a tug is build using the plans of Mr. Lavaud in the company’s workshops.

The equity participation of Sénécaux, Patin Delguigny is set by mutual agreement at FRF 250,000, 150,000 of which is to be supplied by SGTR, and FRF 100,000 by Messrs. Sénécaux, Patin and Delguigny.

### 1910

From November to March, exceptionally high rises in the water level stop boat traffic. At this time, SGTR agrees to free advances to the company’s signatory bargemen or those who would agree to become the company’s signatory bargemen.

A credit authorization of FRF 60,000 is agreed to for a five-year period for Messrs. Vahé, Delegrange, in Douai.

The accounts for financial year 1909 show the following profits:

Operations:	Towage:	126,055.98
	Tug:	518,507.39
Equipment leasing		19,414.55
Service of the Oise’s lateral canal		11,611.80
Workshop profits		14,483.26
Discount interest		35,335.79
Participation on transport		311,943.84
	Total:	FRF 1,037,352.61

From which the following must be deducted:

General operating expenses	103,438.98
General administration expenses	91,598.89
Board of directors and delegation	38,000.00
Bond interest	95,745.00
Accident insurance	25,434.05
Help and incentives (reserve)	54,630.85
	Total: FRF 408,867.77

Net profit for financial year 1909 FRF 628,484.84

These are distributed as follows:

Legal reserve:	FRF 31,424.24
Share interest at 5%	FRF 200,000
Extraordinary reserve:	FRF 308,171.17

Of the surplus:

10% board of directors	FRF 8,888.94
45% shares	FRF 40,000
45% founders' shares	FRF 40,000

Amount equal to the profit of financial year 1909: FRF 628,484.85

A new order for ten 700 T lighters, made out of steel with refined shapes, which proved to be big savers in terms of towing, is placed to be given as rentals to the participation of Sénécaux, Patin, and Delquigny. The order is placed with the Rousseau construction site for the price of FRF 34,000 per unit.

Another order for twenty 380 T lighters is placed: 12 by SGTR and eight by Sénécaux, Patin Delquigny.

### 1911

The shipping company's current equipment comprises:

Twenty 370 T small wooden lighters	7,400 T
Fifteen 550 T large wooden lighters	8,250 T
Ten 550 T steel lighters	5,500 T
Fourteen 700 T steel lighters	9,800 T
Total:	30,950 T

Orders under way for release before October 1912:

Ten 700 T steel lighters	7,000 T
Twelve 370 T small wooden lighters	4,440 T
Aggregate tonnage in October 1912 will be	49,390 T

In 1903, Count André Walewski, along with *Mirabaud et Cie*, founds *Société des Automobiles de Place G7* (biggest taxi company in the world) and will become chairman of *Société Française des Carburants* and Vice-Chairman of *Forges et Aciéries de Marine Homécourt* (metallurgy and mechanics), after the death of Frédéric Williams, taking on the general management of the company. Competition is fierce with "*Les Remorqueurs*" and "*Les Bateaux Parisiens*".

An additional series of ten 700 T iron lighters is launched.

### 1912

Mr. Léon Molinos resigns. Mr. Lafargue is elected Chairman and Mr. Meyer Borel is elected Vice-Chairman.

### 1913

The company, Sénécaux, Patin Delquigny (SPD), in which SGTR owned shares of interest, becomes the company, "*Société Générale de Transports*" (SGT), in which SGTR holds majority interest.

### 1914

War between France and Germany until 1918.  
Léon Molinos, founder of TBSO and SGTR, dies.

A large portion of the board members are in the army, Mr. Lafargue is re-elected Chairman and more powers are given to Mr. Gustave Williams, director.  
Twenty refined lighters are built, divided evenly between SGTR and SGT. These boats are markedly more profitable in terms of towing than the barges with more rounded shapes and that carry much less.

Traffic on the Seine is extremely active, whereas traffic on the Oise is completely disrupted because of the war.

The French government requisitions some of the 54 “*guêpe*” tugs.

### 1917

There are major difficulties during the war in terms of the supply of briquettes intended for steam towboats and tugs. Traffic is disrupted many times because of a lack of fuel.

### 1918

Mr. Lafargue dies and Mr. Meyer Borel is appointed Chairman. After having spent four and a half years serving the army, Mr. André Walewski is wounded and promoted to Chevalier of the Legion of Honor as a soldier, and returns to his position as administrator and his function as managing director for SGTR.

Mr. Eugène Mirabaud is called on to succeed his brother, Jacques Mirabaud, who has died from his war wounds; *Mirabaud et Cie* has a great deal of interest in the matter. Because of his technical knowledge and the experience he acquired in the US, Mr. Vandevelde, Director of *Compagnie Française des Automobiles de Place G7*, is also appointed administrator.

During the war, the price of charcoal briquettes and salaries have increased enormously.

The company consumes 30,000 T of briquettes per year. Salaries have increased consistently, but the prices of towing have been set by the administration, often behind the price increases. The workers at the St Denis workshop go on strike for almost a month, after wage demands are not met. Mr. Maurice Sénécaux is appointed assistant to Mr. Williams for operations.

Employees are granted eight days of annual leave. The length of the workday is set at 9 to 11 hours, depending on the season. The company pays capital or a pension to some of its old servants who are forced to retire because of age or illness.

War damages are demanded. The company has lost two towboats and one tug. There are general shipping strikes.

1919 – The diesel engine becomes more competitive than the coal engine.

1920 – There is considerable competition from the railroad for the Rouen-Paris connection.

### 1921

Tonnage to transport drops sharply and the company lays off many crewmen and demotes the youngest captains in terms of their jobs and salaries. The company cuts the conditions of the equipment that it leases to SGT.

#### 1922

SGTR purchases eight Sulzer 420 HP diesel lighters from the *Office National de la Navigation* (ONN) for a total of FRF 3,360,000, and, led by André Walewski, will also, in a few years, buy several major client companies that possess lighters and barges towed by “guêpe” tugs: *Compagnie de Transport par Eaux* (CITE), *Delegrange et Messenger*, *Bateaux Fournier*, *Société Générale de Transports* (SGT), *Société Maritime de Charbonnage* (SMC), *Compagnie de Matériels et de Transports par Eaux* (CMTE) (42% of the capital in 1950 etc.).

All of these companies possess several dozen towed boats, built first out of wood, then, at the beginning of 1900, out of riveted steel. Very well-known river-shipping families, such as Flechet, Sénécaux, De Baillencourt, and others, have been managing these fleets totaling more than 500 units for decades, 500 T to 1,000 T lighters, 250 T to 400 T barges, *flûtes*, *gabares*, etc. All of these boats have two- to four-person crews who live on board.

#### 1925

Creation with several inland shipping lines of *Compagnie de Gérance et d’Armement Fluvial* (CGAF). The chairmanship rotates, and Alexandre Walewski will be the last chairman from 1966 to 1969, the date of dissolution at the request of Sanara. The Company is responsible for regulating the use of almost all of the lighters on the Seine, getting rid of boats when necessary, following a ratio proportional to the fleet of each inland shipping line.

#### 1926

SGTR leases 90 lighters to SGT.

#### 1928

The board of the SGTR launches the study and construction of a dozen barges motorized by diesel engines (self-propelled barges). Several tugs are leased out.

#### 1929

The shortage of employees is felt in terms of fitting out tug, and loans are made to several staff members to try and secure their loyalty.

The economic crisis that began in the US will affect France deeply around the years 1931 to 1939. Equipment is stopped; lighter leasing will save the group for many years. The first lighters and barges motorized by small diesel engines (40 to 70 HP) appear.

Fifteen iron lighters and ten iron barges are ordered.

#### 1930

Mr. Antoine Walewski, who graduated from the *Ecole Supérieure d’Electricité*, is appointed Secretary of the Board.

#### 1931

The towage concession ends. The Towage chain is removed from the bottom of the Seine and sold. Mr. Charles de Baillencourt, representative of *Mines de Lens* (coal), shareholder and client, is appointed administrator at SGTR.

### 1932

The major economic crisis lasting, the salaries of the company's employees are reduced, lighters are dismantled, and a tax on diesel is instituted, penalizing operations sharply, while drops in towing are agreed to.

The tonnages to tow are reduced and the competition of motorized barges (self-propelled barges) and diesel trucks is increasing. Decrees limit shipping with foreign boats.

### 1933

Count André Walewski is appointed Chairman of SGTR, after the death of Mr. Meyer Borel, Chairman since 1918 (*Banque Meyer Borel*). Mr. Patin is appointed Vice Chairman. "*Essor Fluvial*" merges with "*Bateaux Fournier*". SGTR's annual coupon is sharply reduced.

### 1934

Salaries are reduced again for all employees.

### 1935

Mr. Patin, Vice Chairman, dies and is replaced by Mr. Sénécaux, Assistant Director, in the position of administrator. This latter will be appointed Vice Chairman a few months later.

The fleet of approximately 200 boats is acquired from *Poliet et Chausson*, and the *Compagnie Internationale de Transport par Eau* (CITE) is created, in association with *Poliet et Chausson* and *Fléchet Frères*. A lighter is converted into a fuel oil barge, which will be operated by SGT.

### 1936

The company's expenses increase sharply: salaries are increased 15%, paid leave, 40-hour workweek.

### 1937

Mr. Antoine Walewski is appointed to the position of administrator of SGTR. Because of the application of the 40-hour workweek law, equipment turnaround is almost double what it was previously.

### 1939-1945

In 1940, SGTR and its subsidiaries are operating 550 boats.

World War II creates major upheaval with the increase and decrease of certain types of traffic, but 26 tugs are destroyed, most of which had been requisitioned by German Occupation troops.

In 1939 Mr. Lamy is appointed Assistant Director General, and in 1940, Mr. Charles Lavaud, Director General, dies after 44 years of service with the company.

Fuel is limited and several steam tugs are brought back into service. Allied bombing destroys locks, making shipping difficult.

Several boat crews are killed or wounded in gunfire.

Many worksites maintaining the group's equipment – Andrésy, Joinville, Creil, Maurecourt, Pont de l'Arche, Thourotte, Marseille les Aubigny, etc. – are damaged or destroyed. Most of the boats sunk are raised and repaired in a few years at the group's worksites, which are cleaned up and employ several hundred people.

By the end of the war, barges are built out of welded steel, and not riveted steel any longer, boasting better watertightness.

#### 1950

The last wooden boats are sold. The company receives several 38.50 m x 5.50 m welded steel barges capable of transporting 400 T instead of the traditional 38 m x 5 m barges that transport only 300-350 T for war damages. SGTR's tugs tow from 30 to 40% of all of the goods on the Seine and the Oise.

#### 1952

Mr. Serge Beaucamps is elected to the Board of *Compagnie de Matériel et de Transport par Eau* (CMTE) after Emile, his grandfather, co-founder of CMTE, and Henry Beaucamps, his deceased father. He will become administrator of Touax in 1986 after the final merger of TAF at this time.

#### 1954

Count André Walewski dies at 84 years of age, after 42 years of distinguished service to SGTR. His son, Antoine Walewski, an engineer, administrator of Marine Homécourt (third generation in the steel group), and Chairman of subsidiaries of the same group, is appointed Chairman of SGTR by the Board of Directors. Mr. Emile Lamy is Chief Executive Officer and has been an employee of SGTR since 1927. Mr. Charles de Baillencourt, administrator of SGTR since 1931, resigns for health reasons.

#### 1955

The group's first hopper cars are ordered and will be operated by SGW and *Compagnie Européenne de Transports* (CET). Railcars quickly become more profitable than towing, which is declining, a casualty of the growing number of self-propelled barges (motorized barges and lighters). The sale of all steam engine coal "guêpes" continues.

Mr. Van de Velde, former director of *Automobiles de Place G7* and administrator of SGTR for 36 years, dies.

Following Maurice Edmond Sénécaux's fraud (son of Sénécaux), he hands in his resignation. The subsidiary SGT submits its balance sheet and benefits from the court-ordered liquidation.

#### 1956

The motorization of improved towed boats will become more and more extensive; these will become autonomous self-propelled barges that can sometimes push another boat and will be equipped with Deutz, Renault, Berliet, Bolinder's and Volvo engines. This motorization will

be carried out at three of the group's worksites: Thourotte, Marseilles les Aubigny, and Pont de l'Arche.

### 1960

Count Alexandre Walewski, with a business (Cambridge University – EDC) and technical (Bourges auto and armored equipment military school, 27 months of service in the Army equipment department) education and work experience in the G7 maintenance shops, joins the group. The group transports more than 30% of the tonnage of coal transported by water in France.

SGTR equips two micro-power stations: la Grènerie and Saint Saury in southwestern France.

The company, *Transports Dameron*, which operates ten tractor trailers in Grand Quevilly, near Rouen, and which will grow to a certain extent with the establishment of several bases in France and reach 139 registrations (dumpsters, gas, tanks), is acquired.

Towing activity on the Seine and the Oise falls sharply in five years, due to the motorization of many barges that belong to private owners, and a few lighters, and the chronic shortage of staff employed by the companies.

The group owns 60 self-propelled barges and 150 towed barges and lighters.

Seven “*Guêpe*” tugs, out of 26 with diesel engines, are sold to *Compagnie Générale de Traction sur les Voies Navigables* (CGTVN), and all towing activity on the Oise is abandoned. Only eight tugs remain in service at SGTR.

### 1962

There is a severe drought during the summer months and starting in December, the winter is very harsh.

### 1963

From December 1962 to 15 March 1963, many boats have been blocked by ice. A river tourism company, “*Société de Tourisme Nautique*” (lease of small sailboats), is created. North American in origin, the boat-pushing technique arrives in France through fleets transporting sand and gravel (CSS and Morillon Corvol) on the Seine. SGTR transforms tugs into push boats (a technique that requires fewer employees on board the push boats and no more at all on pushed barges) and barges and lighters into pushed barges.

There is a considerable shortage of professional crews; these people are now recruited only from the families of the bargemen living on board a unit and whose children want to pursue this line of work.

When they can, bargemen prefer to be self-employed, own a motorized barge or lighter, and register as private owners with the apportionment office, which assures them a minimum annual income without having to look for business.

### 1964

A pushing company, CGPVN, is created with several inland shipping lines, with the essential purpose of supplying France's power plants (EDF) with coal. The group takes 14% of the capital and for 17 years of operations will become the biggest supplier in terms of 2,500 ton barges with ten barges. Operations of the EDF II association created on 15 July 1966 will end on 31 December 1986, after the supply of coal is stopped for the Porcheville and Vitry power plants.

Alexandre Walewski merges the group's main river transport companies that generate weak cash flow less than the many taxes charged for this activity and manage even more than 200 boats and 600 people, *Société Générale de Transport* (SGT), *Compagnie Internationale de Transport par Eau* (CITE), *Compagnie de Matériel de Transport par Eau* (CMTE) into one entity, *Transports Fluviaux* (TAF). Alexandre Walewski (Chairman) and Antoine de Bailliencourt (Chief Executive Officer) apply themselves immediately to selling old barges and lighters, replacing them by building an entirely new fleet of large barges and push boats which make it possible to supply the big industrial transport contracts handled concurrently in France.

These multi-year industrial contracts progressively replace the spot transport of traditional boats, contracted at the very harmful apportionment exchange site, and, with the railcars leased, will give considerable impetus to the group.

The barges and lighters that will not be sold will be equipped with a high-performance diesel engine and will be able to sail autonomously, sometimes pushing another boat, until they are then sold a few years later to private barge owners, who will generally pay for them on credit, spread out over several years.

Alexandre Walewski restructures the many river chartering agencies in France and several hundred bargemen and employees who no longer have jobs are dismissed.

TAF, which will undergo a certain boom with barge pushing and leasing large barges, which will replace the traditional fleet, will make it possible to save the group's river branch.

#### 1965

Count Florian Walewski (HEC-INSEAD), son of the Chairman, joins the Board of Directors of SGTR.

It is decided that the construction of the TAF 103 barge will be launched, the first of a series of ten large barges (2,500 tons), which will be put into operation for transporting coal at CGPVN in 1967.

#### 1966

As Assistant Director to Mr. Emile Lamy, Mr. Alexandre Walewski receives all of the powers concerning correspondence and banking documents and is appointed administrator of SGTR.

#### 1968

Mr. Emile Lamy stops working as Chief Executive Officer of SGTR, where he has worked for 41 years, including 28 years as Chief Executive Officer.

Florian Walewski becomes Chief Executive Officer of SGTR.

SGTR keeps only one tug after selling nine units.

Alexandre Walewski is a member of the *Conseil National de la Navigation* and a full member of the *Commission Consultative Relative aux Affaires Sociales de la Navigation Fluviale* in Brussels. In France, he is involved in implementing the collective agreement on inland navigation.

#### 1969

Florian Walewski asks the Board to take an interest in river tourism.

### 1970

Minority holdings are acquired in the railcar-leasing companies, CET and SATI.

### 1971

Major work making the Seine, Dunkerque-Valenciennes, Moselle and Rhône suitable for large barges (4,000 T) has been undertaken on the waterways, but with no spirit of continuity from the different governments of the Republic. The basins are not connected to each other for navigation by large push boats and, because of this, remain marginal internationally. The Freycinet network, on which 38.5 m self-propelled barges sail, is maintained, but these latter lose tonnage to trucks and railcars with large capacities and automatic unloading.

### 1972

Navidor (nautical tourism) and Bazerque (catering for outside events) are created. The first oil crisis, which will be followed by many others (sharp price increase, rationing), occurs.

### 1973

Quiztour (river tourism) is created and Lazy Dolphin (self-propelled barge equipped with several sleeper cabins for several dozen passengers) becomes operational.

A portion of the SGTR stock market portfolio, which had been put aside for many years, is transferred.

The company, “*Ostra*” (truck, storage), a subsidiary of the British group, TDG, in which *Touage* takes 17%, and which will be led by Florian Walewski, is created.

“*Naviloire*” and “*Navisomme*” (nautical tourism) are created.

Antoine and Alexandre Walewski share their concern about seeing many businesses created in the area of river tourism before establishing an initial financial return therefrom.

Florian Walewski leaves his position of Chairman of *Transports Dameron* (truck leasing). Alexandre is elected by the Board to take over from him.

The subsidiary, *Transports et Affrètements Fluviaux* (TAF), which was created from a grouping of river subsidiaries, with the long-term lease of 13 large barges and 80 railcars, shows a satisfactory cash flow.

Minority holdings are acquired in the railcar-leasing company, *Bonnaud*, in Marseilles, and the company, *Malfroid*, in Belgium, which is active in road transport.

The company, *Navidor*, shows considerable losses. Alexandre Walewski makes the strategic decision, which will be followed subsequently by the two boards of directors, to study the merger of SGTR and TAF, and to refocus on the two activities of long-term leasing, railcars, and barges, which require significant capital.

The first investment in wooden huts, managed by Allomat for leasing, is made.

### 1974

The fuel **crisis**, which penalizes our truck leasing company, Dameron, after the war between Arab countries and Israel, hits.

Bank loans are strongly subject to quotas.

The company, *Transports Dameron*, absorbs the company, Calland, in Gisors (trucks).

Faced with the major losses of nautical tourism companies, the Board decides to try and sell its holdings in these businesses.

The fleet of 272 railcars gives satisfactory results.

As the company, Bazerque, shows major losses, the Board decides to separate from it.

### 1975

Alexandre Walewski moves ahead with the merger of the three river navigation and services companies (crane operation and storage), group subsidiaries: *Bateaux Fournier*, *Société Générale de Manutention et de Transport* (SGMT) and *Société Maritime de Charbonnage* (SMC). The company takes the name, SGMT, and is headed by Antoine de Baillencourt, who is also Chief Executive Officer of *Transports et Affrètements Fluviaux* (TAF).

Through the *Office National de la Navigation* (ONN), the Transport Ministry places the river profession under total and costly administrative supervision, because, in addition to the obligation to the apportionment office for traditional boats (from 150 to 1,200 tons), with imposed freight price-setting, quotas are strongly fixed for the hold of large Seine barges (from 2,000 to 2,500 tons), and access to business contracts is also regulated. The ONN institutes interventionist and distributionist commissions, with bargemen's and employers' unions.

From 6 October to 12 November 1975, there is a hardline employees' strike at *Transports Dameron's* (trucks) Petit Quevilly and Vernon bases, resulting in part from the inflexibility of Chief Executive Officer Vallée (who will be dismissed in 1977 for receiving personal commissions on orders for new trucks). During this strike, Alexandre Walewski, Chairman of Dameron, intervenes to calm people down, and is detained by the drivers employed there.

Shipping containers appear in the group with the purchase of equipment managed by Eurotainer.

The group attempts to disengage itself from micro-electric power generation stations in Saint Saury and La Grainerie on the Cère, as equipping micro-stations on rivers (the only ones authorized by the administration because of the government monopoly of *Electricité de France* – EDF) does not have a sufficiently recurring industrial nature in new installations.

### 1976

Mr. Serre, Director of TAF, designs and perfects a drainage system for TAF's large barges, which will be used extensively in the transport of aggregates.

First investments in Ergé modules managed by SLM.

First investments in 20' dry shipping containers managed by the California-based company, TOL.

TAF builds the TAF 50 Roro-lolo heavy lift barge, which will transport all of the atomic tanks and reactors for EDF and turbines for Alstom for many years on the Rhône.

### 1977

On 28 April 1977, Alexandre Walewski is appointed Chairman of SGTR (group's holding company) by the Board of Directors, replacing his father, Antoine Walewski, who has reached the maximum age of 73 years. Florian Walewski remains Director and Emile Lamy remains Vice-Chairman.

The group's strategic direction is clearly defined to refocus on four industrial activities (with high potential for recurrent investments, with standardized equipment, based on long-term contracts: lease of large industrial barges for dry goods, railcars (hopper, pulverulent and tanks), containers (dry, open top, refrigerated, tanks), modular buildings (axles or units). This equipment is managed by our management companies or outside companies with competitive bidding.

In 1977, the group's fleets leased out remain modest: 245 railcars, seventeen 2,800 ton barges, 427 containers, 125 wooden huts.

The group employs about 100 workers, employees and executives. There is no net indebtedness.

In 1977, the group's cash flow exceeds FRF 9,360,100, against FRF 1,780,356 in 1967. However, during this period, the purchase cost inflation for our equipment was approximately 300%.

#### 1978

*Société d'Investissement de Matériels* (SIM) is created in Geneva (management of equipment belonging to third parties).

#### 1979

The last operation participating in building construction in the Paris area ends with the Rue Mouffetard. Business proved to be insufficiently profitable and regular to be pursued.

The acquisition or equity participation in a railcar company is sought. SPEI group's (Reille family) *Compagnie Européenne de Transport* (CET) shows interest with its SNCF agreement for the operation of hopper cars and tanks and its major railcar quotas with subsidiaries of SNCF, *Société Nationale des Chemins de Fer Français*: CNC – EVS – STVA – SGW. It manages 1,917 railcars, including 501 directly, leased to industrial clients; the others are leased to subsidiaries of SNCF.

Still for sale, *Transports Dameron* presents sharply growing results, thanks to long-term oil and gas contracts.

The administration and the *Office de la Navigation Fluviale* (ONN) want to have a portion of the tonnage freely contracted by the rare surviving or merged river companies retroceded to private barge owners.

SGTR seeks to acquire *Société de Location de Matériel* (SLM) (lease of worksite huts), in which Alexandre Walewski is the biggest private investor without being a shareholder. Acquisition talks with Mr. de Vieil Castel start, but do not succeed until later.

*Société d'Investissement de Matériel France* (SIM France) is created, and Jean Serrurier becomes the manager.

After a portion of the Andrésey land (acquired in 1898 at the confluence of the Seine and the Oise) is divided into 33 plots of land, the company still owns a 8,857 m<sup>2</sup> plot containing office and workshop buildings with a lifting frame on the Seine and staff quarters. Several houses on this plot of land will be sold to private parties.

SGTR's self-financing margin for financial year 1979, thanks to investments, containers, mobile constructions, railcars and the disappearance of unprofitable activities, is up 41.86% compared with the previous financial year. Profit increases 28.13%.

All of the group's subsidiaries show a profit.

SGTR sells the "*Patache*" tourism boat to the company, Quiztour, in which Florian Walewski and Claude Rousselle have interests.

#### 1980

10% of the shareholding is acquired in CET; Alexandre WALEWSKI becomes Chief Executive Officer of the company, replacing Christian D'Aramon, who has died prematurely, and will be appointed administrator or technical advisor of several SNCF subsidiaries.

#### 1981

Activities develop significantly at the international level.

Created in Delaware in the United States, Touax Corporation is an American holding company for the group that aims to have access to the American financial market, which is broader and often less expensive than the European market, and to develop the group's four activities on this continent: river, railcars, containers, modules (which, in time, are going to evolve toward the concept of a box for dry goods without any sophisticated mechanics).

General inflation in France exceeds 14%, which is very high in a time of peace, but resulting from periods of economic crisis and sharp increases in petroleum products (oil crises).

#### 1982

The group's first consolidated balance sheet is established (for the year 1982), but is not yet made obligatory by the *Commission des opérations de Bourse* (COB) (French equivalent of the American Securities and Exchange Commission (SEC)). The group's debt is less than one year of cash flow, a cautious ratio defined by Management.

*Société de Location de Matériel* (SLM), which manages 400 worksite huts, is purchased for FRF 20,000. This company will develop significantly.

In the face of inflation and the economic crisis, the French government freezes prices. The Bank of France institutes the obligation to seek authorization to export capital converted into investment out of France.

Several of the Company's subsidiaries merge: *Société Générale de Manutention et de Transport* (SGMT), *Société d'Investissement de Matériel* (SIM France) and *Société de Location de Matériel* (SLM). The new company is named SLM and is headed by Jean-Louis Leclerc, an accountant by training.

#### 1984

The company, Navidor, is bought out.

Touax Corp. makes its first investment in 20' bulk containers in Gold Corp. (created by Mr. Philippe Lentz the year before in San Francisco).

The company, Misseine, is created in the USA for barge leasing. A first investment of five barges on the Mississippi is made.

Gold Prestige is created in California and Gepac is created in Geneva for luxury car leasing with the participation of Philippe Lentz, who becomes Director of the company.

Florian Walewski devotes himself entirely to the company, "Ostra", which he created in 1973, a subsidiary of Britain's Transport Development Group (TDG), in which SGTR retains only a very minority interest, as it has not subscribed to capital increases. As for several years, Florian Walewski has devoted most of his time to the TDG group and the river tourism branch that he bought in part from the group, leaves all his positions at SGTR and remains administrator.

The Transport Ministry (ONN) refuses to grant visas to TAF for the new contracts negotiated with coal and grain clientele, which is seriously damaging to the proper use of TAF's barges.

After all expenses, taxes and coupons are deduced, the following net profitability on total investments calculated in old francs for financial year 1984 remains:

- 17.10% for S.G.T.R.
- 11.40% for TAF
- 13.70% for Dameron

### 1985

The group acquires the majority of Gold Container Corp., which leases dry shipping containers, and in which it had been involved as one of the first investors, from Philippe Lentz. This company will develop considerably. In return, Philippe Lentz takes over the entire luxury car operations managed by Gold Prestige, as this line of work is more appropriate for a private individual than a company.

SLM acquires SIGMA's business, made up of the management of containers belonging to more than 3,000 private investors.

As the ONN wants to leave more work for private barge owners, it no longer grants its visa to grain transport contracts negotiated by TAF, causing ten 2,500 ton barges out of a total of 17 barges to remain idle.

All of our forced-air railcars managed by the EVS pool are nationalized through a buyout of the SNCF.

The banks allow us limited quotas to loan demands for investment.

All of these measures that limit our activities are due to the left-wing government teams that have returned to lead French business in 1981 with the election via universal suffrage of French President François Mitterrand.

The fleet of containers managed by companies outside the group is increasing, but requires competitive bidding from these latter, and suffers from the sharp drop in the US dollar.

### 1986

The name, "*Touage Investissement Touax*", is adopted, following the takeover of the subsidiary, "*Transport et Affrètement Fluviaux*" (TAF), through the contribution of all the assets with the exception of the river asset given to SLM. The group's barges all maintain the acronym, TAF, which the clients appreciate.

The private barge owners oppose any loading of grains into industrial barges and at this time vandalize barge and pusher boat equipment belonging to our main competitor, SOGESTRAN. Although it has been immobilized for several months, the TAF 32 grain barge is sabotaged several times while docked.

The river branch suffers from the shortage of work combined with the terrorism of the past months, as clients do not want to take the risk of loading barges. Only seven out of 17 large barges remain in service on the Seine and the Oise.

The complete halt of CGPVN, because of a shortage of coal on the Seine and the Oise, is not favorable to our activity, but will make it possible to revive the direct operation of barges and pusher boats within our group and to maintain the river business in France.

The net indebtedness on the balance sheet still corresponds to less than one year of consolidated net self-financing.

TAF buys out the company, SAFEM, which operates one pusher boat on the Rhône and one pusher boat and two barges on the Garonne.

Mr. Alexandre Walewski remains Chairman of SGTR and Jean-Louis Leclercq is appointed Assistant Director General.

Revenue from the container sector has become widely predominant in the company. The railcar and mobile construction lines of business remain favorable. The road branch shows improvement.

The *Touage Investissement* security soars on the stock market.

#### 1987

The balance sheet shows a situation of net indebtedness greater than one year.

The group buys out three small river companies, Socma, Nogemat, and Robot, with a total fleet of 13,180 tons and several old pusher boats transporting several hundreds of thousands of tons of aggregate on the Seine and the Oise for major industrial clients.

Dimat, which manufactures concrete blocks in the Paris region, is a subsidiary of Socma.

#### 1988

After waiting for several years, our companies receives approval from the SNCF to register railcars in its name, which makes it possible to lease railcars under the Touax acronym directly to users, without having to resort to the management of outside companies. This authorization will subsequently allow for railcar leasing to really take off.

The two Misseine Touax and Touax KRS partnerships lease barges on the Mississippi. This activity will grow to a certain extent later with the Touax Corp., leasing barges under the TAF acronym.

#### 1989

Several companies, including Eurobulk (river company on the Rhine) and Workspace + (leasing of modular buildings in Florida, USA) are purchased.

Raphaël Walewski, who has studied business (INSEC), joins the group in August 1989.

The holding company, *Financière Touax*, held 100% by Alexandre Walewski, possesses 51% of the capital of *Touage Investissement*.

The *Touage Investissement* securities held by *Financière Touax* have all been bought on the stock market by Alexandre Walewski over the past 27 years, in addition to a supplement

bought from Antoine and Florian Walewski. The founder, Mr. Léon Molinos, and his son-in-law, Count André Walewski, held only a small minority share in the company.

Touax Corp. acquires the company, Marsten THG Modular Leasing Corp., in Florida, which acquires the company, Jiffy Jones of Dade County, operating 690 mobile washroom facilities for lease.

The company, Marsten, will acquire a certain size by becoming Workspace +. The companies, KRS and Touax KRS, lease barges on the Mississippi and replace the company, Misseine, created in 1984.

The company, Gold Container GmbH, subsidiary of Touax Corp., is created in Hamburg with a view to leasing storage modules and containers.

The general economic situation is good for all activities. The group's cash flow has increased sharply in recent years, as has debt.

Consolidated self-financing resources stand at:

- 1987: FRF 29,020 K
- 1988: FRF 39,444 K
- 1989: FRF 52,569 K

Net indebtedness for these same years evolves between 13 and 18 months of annual self-financing resources.

The total of the consolidated balance sheet grows from FRF 197,540,572 in 1988 to FRF 261,882,667 in 1989.

Total shareholders' equity grows from FRF 73,911,000 in 1988 to FRF 86,894,000 in 1989.

Consolidated net profits move from FRF 3,618,816 in 1988 to FRF 5,319,234 in 1989.

There is a high rate of industrial depreciation of equipment.

### 1990

Fabrice Walewski, who has also studied business (ESLSCA), joins the group in April 1990. Count Antoine Walewski, administrator since 1937 and former Chairman from 1954 to 1977, dies.

The purchase of the Rotterdam-based company, Eurobulk, which operates 110 large barges and 25 pusher boats chartered by contract on the navigable network of the Delta between Gand and Amsterdam, is finalized. This fleet, which is reunited under the Eurobulk flag, is the biggest fleet in the Rhineland's network, but for the most part is not owned by the company, Eurobulk, as the boats belong to private individuals.

Dimat buys out its competitor, Prébloc, which manufactures concrete blocks in Gennevilliers. The company, Integrated Offshore Venture (IOV), is created in Paraguay with a view to river operations in South America, which will post the group's best return on investment for about a decade.

After the Iraqi invasion of Kuwait, the Gulf War entered into by the American, British and French allies creates serious disruptions in economies and finance.

Next, the economic situation declined markedly, with a fall in residential construction hitting concrete block manufacturers Dimat and Prébloc hard.

All of the group's activities are affected to a greater or lesser extent. Investments drop because of the economic situation and the group's relatively high indebtedness.

#### 1991

Recovery is favorable to several of the group's activities. The self-financing resources before taxes and financial results more than doubled in five years, moving from FRF 34,756,000 in 1987 to FRF 72,377,000 in 1991, while the consolidated operational self-financing capacity after taxes and financial expenses moves from FRF 22,833,000 to FRF 33,754,000 with identical group shareholders' equity not subject to cash input.

#### 1992

The group manages 52 pusher boats and 700,000 tons of large barges, including many that have TAF or EURO TAF registrations, on several international networks.

The group has more than 3,000 small private investors that have financed more than 20,000 TEU containers and a few mobile structures and river barges.

To follow the group's sustained investments over the past three years representing FRF 164.5 million, 112,553 share dividends at FRF 100 face value are issued with a transfer from reserves, and 112,553 new shares are issued at FRF 130 per share, i.e. a total of FRF 14,631,890 subscribed for its majority share by *Financière Touax*, the Walewski family's holding company.

Share capital is brought to FRF 56,276,600, divided into 562,760 shares of FRF 100 face value.

*Financière Touax* holds 53% of *Touage Investissement*. As Alexandre Walewski made a gift by will to his three sons, Raphaël and Fabrice Walewski possess 69% of *Financière Touax*.

The economic situation is very bearish in Europe, while there is a positive turnaround in the North and South American sectors.

The policy is to transfer equipment not managed directly by the group and the company, Dameron (road transport), which is evolving in a waning economic situation, and the company, Dimat, because of a drop of more than 40% in concrete block sales in the Paris region.

#### 1993

It is ascertained that approximately FRF 36 million in losses (group's share) have been made over the past three financial years, mainly for the companies, Préblocs, Dimat, Workspace Plus and Eurobulk. Dimat (manufacture of cement blocks) is transferred, with significant losses: in addition to the waning economic situation in its business sector, this latter company never managed to perfect a new cement block manufacturing machine.

#### 1994

After the company, SLM, is taken over by *Touage Investissement Touax*, the name, Touax SA, is adopted. Railcars will be registered under the Touax acronym and SLM modules will be managed progressively under the Touax acronym. A new capital increase in cash brings

this latter from FRF 56,276,600 to FRF 68,782,400 divided into 687,824 shares of FRF 100 face value.

### 1995

Raphaël and Fabrice Walewski are appointed chief executive officers.

The first big trust of \$42 million, financed through securitization by the American “Teachers” pension fund for Gold Container Corp., is created. Several trusts will be created after this to finance container, module and railcar activities in the US and Europe.

Many companies are set up or acquired abroad with more than 40 subsidiaries that manage the four activities of industrial transport and leasing, including the company, Interfeeder, in Rotterdam, which transports sea containers on the Rhine and the Rhine delta and that is acquiring an important position by transporting more than 100,000 containers each year.

Funding comes from the group, pension and institutional or outside private investor funds that invest through investment programs.

The group’s sales grow considerably following an increase in the fleets, operated for either outside investors or financed on its behalf by resorting to indebtedness.

Business is good in North America and South America, whereas the economic situation remains mediocre on the continent of Europe. Order books are full at river boat construction sites in Eastern Europe, with an increase in steel reaching \$1.30/kg in the Romanian worksites

The group orders seven large barges from a Chinese worksite.

### 1996

A second securitization of \$37.5 million in containers.

In order to achieve economies of scale with limited overall costs, the group’s objective is to significantly increase the fleets managed within two to five years in the following manner:

Increase of 60 barges to reach more than 160 barges

Increase of 5,000 modules to reach more than 10,000 modules

Increase of 70,000 TEUs to reach more than 100,000 TEUs

Increase in the railcar fleet.

The acquisition of rival companies will be studied in the four sectors.

### 1997

A securitization of EUR 32.8 million in modules.

In December 1997, Alexandre Walewski, nearing 64 years of age, retires from the group and relinquishes the chairmanship of Touax SA, while maintaining his position of administrator and his mandates as chairman for the principal foreign subsidiaries. The board of directors elects his two sons, Raphaël and Fabrice, co-chairmen of Touax SA, assuming their duties on 1 January 1998.

Raphaël takes charge of river and module activities and Fabrice takes charge of container and railcar activities.

The Touax head office set up in Marshall of Saxony's mansion at 5 quai Malaquais (SGT occupied this space since 1913) is transferred to the Tour Arago in Puteaux La Défense after 585 m<sup>2</sup> of usable space in this tower is acquired.

The company, Siko, which manages 1,500 modules in Hamburg, Germany, is acquired.

Dutch company, Ducotra, conducting river transport of containers on the Rhine and between Antwerp and Rotterdam, is purchased; this is a major transporter in its business sector that will be merged with Interfeeder.

The group shows strong growth in 1997. The consolidated balance sheet as of 31 December 1997 is FRF 568,008,000 against FRF 309,434,000 in 1996, i.e. an increase of 83.5%.

At the end of 1997, net fixed assets stand at FRF 239,275,000 against FRF 198,695,000 at the end of 1996 (+20.4 %).

Available funds and investments stand at FRF 124,563,000, up sharply at the end of 1997.

The group's shareholders' equity stands at FRF 178,286,000, up 64.7%.

The consolidated income statement on 31 December 1997 shows total operating revenue of FRF 342,178,000 against FRF 228,495,000 in 1996, i.e. growth of 50%.

The gross operating margin or EBITDA stands at 59.6 million in 1997 against 40 million in 1996 (+49%).

Operating results stand at 39.4 million in 1997 against 25 million in 1996 (+57%).

Pre-tax profit/loss stands at FRF 26.3 million in 1997 against FRF 16.8 million in 1996 (+55%).

The group's share of consolidated net earnings stands at FRF 68.5 million in 1997 against FRF 16.8 million in 1996 (+408%), after capital gains, in particular.

The group's total consolidated self-financing resources stand at FRF 197 million in 1997.

Shareholders will be paid a coupon up 50% compared with 1996.

## 1998

Second securitization of EUR 32.8 million modules.

Touax Rom is set up in Romania, in order to operate several river convoys on the Danube, and to be established at both ends of the Rhine-Main-Danube axis.

In the US, the rise in the dollar and the Asian crisis do not encourage exports.

In South America, the convoy activities of IOV and Touax LPG in Paraguay are excellent.

In Germany, Siko integrates the fleet of Gold GmbH modules and the public works and engineering sector enters a crisis following the German government's marked reduction in public spending.

Siko Polska, a subsidiary of Siko in Germany, is set up in the modular building sector.

Touax Cabin, a subsidiary of Touax BV, is set up in the Netherlands.

Development is continued in the US with Workspace +, with four bases in Florida.

The company, Gold Container, enjoys a sound economic situation and plans to reach 100,000 TEUs within two years.

Simotra-Secam's fleet of containers is acquired and is leased principally to the French armed forces.

The first contract for container railcars is signed with CNC. This activity is guaranteed to have a big future.

*Financière Touax* and Touax SA merge, keeping the name, Touax SA, and this latter's stock market quotation.

### 1999

Securitization of \$46.5 million in containers.

The events in Kosovo stop river navigation on the Danube following the allies' bombing of several bridges.

The company, Almaxin, operating under Belgian law, subsidiary of the Almanij group, acquires significant holdings of 6.02%, in the capital of Touax SA through a reserved capital increase and obtains a position on the board of directors, represented by Mr. Hugo Vanderpooten. This latter has many years of experience in leasing and financing transport equipment.

For the fourth year in a row, the Touax group posts strong growth in an international context that is on the whole favorable, except for the Serbian embargo and a major drought in Latin America.

EBITDA grows 31% to FRF 93 million.

Consolidated net earnings grow 24% to FRF 39 million.

Shareholders' equity reaches FRF 336 million against 244 million and net bank indebtedness increases to 301 million against 130 million the previous year.

Managed fleets have increased in the four business sectors: river, modular buildings, shipping containers, and railcars.

A first stock option and BSA (stock purchase warrants) program is set up for the group's co-chairmen and principal employees.

### 2000

Touax Leasing acquires 50 new 14-foot, 2,100-ton-capacity barges in the US, increasing our fleet on the Mississippi to 77 barges. Fourteen-foot barges are paid more than the traditional 12-foot barges.

A module-leasing agency is opened in Belgium.

Mr. Thomas Haythe, who has many years of experience as a trial lawyer in New York and who helped us set up the first container trust in the US in 1995, is elected administrator of Touax SA.

Ten barges manufactured in China are sent to the Netherlands and France. Chinese equipment is markedly less expensive than and of equal quality as barges manufactured in Europe.

2001

Touax SA incorporates reserves into the capital and allots 473,021 share dividends. Total shares reach 2,838,127 at a face value of FRF 52,476 per share. During the financial year, the new amount of capital is converted into Euros and reaches EUR 22,705,016 divided into 2,838,127 shares with face value of EUR 8. For several years, the European authorities in Brussels had pegged the price of the Euro compared with the French Franc, with EUR 1 worth FRF 6.56.

Two Dublin-based companies that will operate all of the group’s railcar assets are set up.

Touax SA holds 51% and Almafin holds 49% of Touax Rail limited.  
Touax SA holds 49% and Almafin holds 51% of Almafin Rail limited.  
All of the group’s railcars are transferred to Touax Rail limited.

A trust funded by securitization with US companies, Gold Container and CFCL-Touax LLC, which are both subsidiaries wholly-owned by Touax for a total of \$48,418,225 for the containers and \$8,919,375 for the railcars, is set up.  
EUR 11.4 million railcar management program.  
\$13.9 million container management program.

2002

EUR 25 million container and EUR 5 million module management program.

2003

Managed fleets are managed for the most part by companies that are wholly-owned by Touax. Their significance is as follows:

River: First in Europe and fifth or sixth in the world.	
With 192 TAF dry bulk barges:	462,910 deadweight tons
And 150 Rhine or Danube self-propelled barges:	200,000 deadweight tons
Containers: Second in Europe – tenth in the world:	199,665 Gold TEU
Modules: Third in Europe – fifth in the world:	19,443 Touax modules
Railcars: Second in Europe for intermodal railcars:	1,736 railcars

The consolidation or merger of companies in our business sectors is very advanced in the US and leaves few options. On the other hand, consolidation in Western Europe is at a less advanced stage and, in accordance with the group’s funds, will still make it possible to carry out several acquisitions or partnerships.

The goal is to always remain one of the top ten countries in the world for each activity, or to better the positioning and increase our market share, in order to have even better chances for longevity in the future.

The two currencies used primarily by the group’s companies are the US dollar and the euro. Although they are the most stable currencies in the world, these two currencies nonetheless

have major exchange rate fluctuations between them. Operations carried out in dollars are on the way to becoming the majority in the group.

The group manages the financing and construction, in keeping with the group's standards, of equipment, in outside international worksites (Asia, Europe, US), the placement of equipment through long-term contracts with major industrial clients, the maintenance in its outside worksites or workshops, leasing, and the definitive transfer of equipment.

The group's concept is to provide clients with equipment...

- that is new, facilitating placement,
- that is mobile, facilitating the optimization of the utilization rate,
- that is sturdy, reducing its maintenance costs,
- that is standardized, featuring simplicity of operation,
- that has little risk of obsolescence and a long service life.

This equipment allows for very fast placement.

Financing the fleets of the four activities managed by the group has become an activity in its own right that is just as important as the technical and commercial aspects, IT management, accounting and tax management, and human resources management, etc.

The funds managed by the group are close to EUR 550,000,000 and have been increasing regularly for several years. Approximately 25% are the group's property. Financing through management programs replaces financing through trusts, which have become difficult to create and costly. The programs are even easier to place with investors as they involve leased equipment with long-term contracts and showing stable profitability often greater than financial and stock market investments.

Competition that has become truly global in our service activities and the years of a mediocre economic situation since 2001 in the US and Europe prompt us to rethink our direction, again affirmed in terms of the long-term lease of equipment, or the transport and storage of goods with multiyear contracts, and reduced general and committed expenses. These measures, combined with economies of scale that are feasible as the managed fleets are developed, seem to be the only ones that allow for an acceptable financial return and recurrent off-balance sheet refinancing.

The creation of four economic and geographical centers is being considered in the group, with the following holding companies:

- Eurobulk – river activities – the Netherlands
- Touax BV – modules – the Netherlands
- Touax Corp. (including Gold Container Corp.) - USA
- Touax Rail – railcars – Ireland

The group's head office is still in Tour Arago at Puteaux La Défense, and the group is still listed on the Second Market of the Paris Bourse.

Ever since its foundation in 1898, the Touax security has issued its shareholders an annual dividend without a single break.

Management program: containers at EUR 51.2 million, modules at EUR 7.2 million, and railcars at EUR 1.9 million.

## 2004

The group's sales continue to grow. The shipping container and railcar sectors are buoyed by a favorable economic situation, while the river and module sectors evolve in a mediocre economic situation.

Mr. Jérôme Betbèze is co-opted as administrator.

Management program: containers at EUR 57.5 million, modules at EUR 14.2 million, and railcars at EUR 6.4 million.

## 2005

The situation of the river sector has in particular recovered in the US and on the Danube. The module sector continues to suffer, while railcars continue to grow, and containers reach a short-term stage.

On 28 July, the company gets rid of the status of corporation (*société anonyme*) that it has had since 1898, to take on that of limited partnership with shares (*société en commandite par actions*, SCA).

Messrs. Raphaël Walewski and Fabrice Walewski, former co-chairmen, become general partners of the SCA. Alexandre Walewski is appointed chairman of the Board of Trustees.

This change in status will make it possible to carry out increases in cash capital to continue the group's strong development, while maintaining the Walewski family's control.

In November and December, a capital increase of three new shares for seven old shares is carried out at a price of €20.73 for a net amount of €18,089,000.

926,792 new shares are created at a face value of €8, bringing the share total to 3,764,919 and shareholders' equity to approximately €56,222,000.

Fleets are financed through management programs funded by third parties and by shareholders' equity. A new management program is created, including containers at EUR 69.4 million, modules at EUR 5.7 million, and railcars at EUR 24.4 million.

Touax SCA buys out the 49% stake that Almafin held in the capital of Touax Rail, thereby holding 100% of the capital.

## 2006

The economic situation is expanding on every continent for the group's activities.

International trade grows 10% and is favorable to three transport activities – rail, containers and barges – which boast growing results. After several difficult years, the river branch finishes its recovery and prepares for a significant upturn in investments, thanks to transport and lease contracts.

The module branch is also recovering strongly. The group's investments reach EUR 182 million, of which EUR 66.7 million are carried by the balance sheet.

The group's net income is up 76%, and reaches EUR 7,200,000.

Interfeeder, which transports containers by barge on the Rhine network, is sold to the Rhenus group after several difficult financial years.

Baron Philippe Reille, who worked for many years with Alexandre Walewski at *Cie Européenne de Transport* (CET), hands in his resignation, moving to Brussels.

## 2007

Mr. Thomas Haythe, who had helped the group carry out its first securitization operation, resigns from the Board of Trustees, and Mr. Jean-Jacques Ogier is appointed to replace Mr. Yves Claude Abescat, a permanent representative for the company, Salvepar, company shareholder.

The group's consolidated accounts show a net profit of EUR 11,720,567 for the group's share, up 62%. Earnings per share reach EUR 3.01. Consolidated sales reach EUR 278,160,000, up 10%.

The year's milestones are: the issue of an OBSAR for EUR 40.30 million, the acquisition of a producer and lessor of modular buildings, Warex, in the Czech Republic and Slovakia and its leasing subsidiary in Germany, the creation of a modular building assembly unit in France, near Chartres, in Mignièrès, the legal restructuring of the group by activity, as well as the increased investment in new equipment, reaching EUR 222.9 million, of which EUR 114.2 million is kept in shareholders' equity. An increase in investments and profits is forecast for 2008, with the markets in the equipment sectors remaining structurally positive, despite a major crisis hitting many financial sectors. Long-term equipment lease and transport contracts still attract a great deal of funding.

The expansion in world trade increases demand for shipping containers. The group's fleet reaches 438,195 TEU, up 19%.

Infrastructure needs in Europe, Central and Eastern Europe in particular, favor the development of fleets of modular buildings. The fleet reaches 30,477 units, up 25%.

The need to replace river fleets in Europe and the US, the world energy crisis with the sharp increase in the cost of fuel, the expansion of Eastern Europe, the strong activity in South America, and the fight against pollution through CO2 emissions support the river sector and again allow for investments with 52 barges ordered in 2007, to be delivered in 2008 and 2009. The fleet stands at 155 barges and 332,599 tons in the hold.

The deregulation of railway freight, the need to replace very old fleets in Europe, the expansion of Eastern Europe, and the search for environmentally-friendly transport give the freight railcar lease division attractive prospects.

The railcar fleet has grown 29%, standing at 5,424 units, made up primarily of container cars, auto transporters and hopper cars.

The price of manufacturing steel-based equipment has increased noticeably over the past four years; the increase affects barges manufactured in Europe and Asia and railcars manufactured in Europe, in particular.