ID LOGISTICS GROUP

A French corporation (*société anonyme*) with capital stock of €2,052,930
Head office: 410, route du Moulin de Losque - 84300 Cavaillon
AVIGNON Trade & Companies Registry No. 439 418 922

Base Document

In application of its General Regulation, and in particular Article 212-23, the *Autorité des marchés financiers* (AMF – the French financial markets authority) registered this base document on January 24, 2012, under number I 12-003. This document may only be used for the purposes of a financial transaction if accompanied by a transaction memorandum certified by the AMF.

It was drawn up by the issuer and entails the responsibility of its signatories. It was registered with the AMF in accordance with the provisions of Article L621-8-1-I of the French Monetary and Financial Code (*code monétaire et financier*) after the AMF verified "*whether the document is complete and understandable and whether the information it contains is consistent".* Registration does not imply certification by the AMF of the accounting and financial information presented.

Copies of this document are available free of charge at the ID Logistics Group head office (410, route du Moulin de Losque 84300 Cavaillon) and in electronic format on the AMF website (www.amf-france.org) and on the Company website (www.id-logistics.com).

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GENERAL COMMENTS

Definitions

In this base document, except where indicated otherwise:

- "IDL GROUP" means ID Logistics Group SA;
- "Company" means ID Logistics Group SA;
- "Group", "ID Logistics Group" and "ID Logistics" mean the group of companies comprised by ID Logistics Group and its subsidiaries;
- "Base Document" means this base document (*document de base*) registered by the *Autorité des Marchés Financiers*;
- "Base Document Date" means the date on which the Base Document was registered.

Market information

The Base Document includes information about markets where the Company and its competitors operate, their respective market shares and the Company's competitive position, in particular in Chapter 6 "Overview of activities". This information is drawn primarily from external surveys. However, publicly available information deemed reliable by the Company has not been verified by an independent expert, and the Company cannot guarantee that a third party using different methods to gather, analyze or calculate market data would obtain the same results. The Company, its direct and indirect shareholders and its investment service providers make no commitments and give no guarantees regarding the accuracy of this information.

Risk factors

Investors are invited to give careful consideration to the risk factors described in Chapter 4 "Risk factors" of the Base Document before making their decision to invest. The occurrence of all or part of these risks could have an adverse effect on the Company's business, position, financial results or objectives. In addition, other risks not yet identified or considered by the Company to be immaterial as of the Base Document Date could have the same adverse effect, as a result of which investors could lose all or part of their investment.

Forward-looking information

The Base Document contains forward-looking statements and information on the Group's objectives, in particular in Chapters 6 "Overview of activities" and 12 "Business Trends", which are sometimes characterized by the use of future and conditional verb forms and forward-looking expressions such as "estimate", "consider", "have as an objective", "expect to", "intend", "should" and "could", in their affirmative or negative forms, or other similar terms. Such information is based on data, assumptions and estimates deemed reasonable by the Company. The forward-looking statements and objectives referred to in the Base Document may be affected by known or unknown risks, by uncertainty relating in particular to the regulatory, economic, financial and competitive environments and by other factors that could lead to the Company's future results, performance and achievements being significantly different from the objectives expressed or implied. Such factors may in particular include the factors described in Chapter 4 "Risk factors" of the Base Document.

1 RESPONSIBLE PERSONS

1.1 PERSON RESPONSIBLE FOR THE BASE DOCUMENT

Mr. Eric Hémar, Chairman and CEO of ID Logistics Group.

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I declare, after taking reasonable care to ensure such is the case, that the information contained in this base document is, to my knowledge, in accordance with the facts and that nothing has been omitted which would affect its import.

I have received from the statutory auditors an audit completion letter in which they state that they have verified the information relating to the financial position and the financial statements provided in the Base Document and have read the Base Document in its entirety.

Eric Hémar
Chairman and CEO

1.3 PERSONS RESPONSIBLE FOR FINANCIAL REPORTING

Mr. Christophe Satin
Senior Vice President
Address: 410, route du Moulin de Losque - BP 70132 - 84304 Cavaillon Cedex
Telephone: +33 (0)4 32 52 96 00
Email: csatin@id-logistics.com

Mr. Yann Perot
Chief Administrative and Financial Officer
Address: 410, route du Moulin de Losque - BP 70132 - 84304 Cavaillon Cedex
Telephone: +33 (0)4 32 52 96 00
Email: yperot@id-logistics.com

1.4 INDICATIVE FINANCIAL REPORTING SCHEDULE

The financial information published by the Group will be available on the Company website (www.id-logistics.com).

2 STATUTORY AUDITORS

2.1 REGULAR STATUTORY AUDITORS

- Deloitte et Associés
  185, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine
  Represented by Mr. Albert Aidan

  Deloitte et Associés was appointed regular statutory auditor at the June 21, 2010 shareholders' general meeting for a period of six fiscal years ending following the ordinary shareholders' general meeting called to approve the financial statements for the fiscal year ending December 31, 2015.

  Deloitte et Associés is registered with the Versailles Institute of Statutory Auditors.

- Mr. Philippe JOUBERT
  147, avenue de Suffren - 75015 Paris

  Mr. Philippe Joubert was appointed regular statutory auditor in the Company's first bylaws dated September 12, 2001, and his appointment was renewed at the shareholders' general meeting held on June 30, 2008 for a period of six fiscal years ending following the ordinary shareholders' general meeting called to approve the financial statements for the fiscal year ending December 31, 2013.

  Mr. Philippe Joubert is registered with the Paris Institute of Statutory Auditors.

2.2 ALTERNATE STATUTORY AUDITORS

- BEAS
  7-9, villa Houssay - 92200 Neuilly-sur-Seine

  BEAS was appointed alternate statutory auditor at the June 21, 2010 shareholders' general meeting for a period of six fiscal years ending following the ordinary shareholders' general meeting called to approve the financial statements for the fiscal year ending December 31, 2015.

  BEAS is registered with the Versailles Institute of Statutory Auditors.

- Comptabilité Finance Gestion Audit – CFG Audit
  10, rue Ernest Psichari - 75007 Paris

  CFG Audit was appointed alternate statutory auditor in the Company's first bylaws dated September 12, 2001, and its appointment was renewed at the June 30, 2008 shareholders' general meeting for a period of six fiscal years ending following the shareholders' general meeting called to approve the financial statements for the year ending December 31, 2013.

  CFG Audit is registered with the Paris Institute of Statutory Auditors.

Deloitte et Associés was appointed as the Company's statutory auditor on June 21, 2010 for the first time. It has been the statutory auditor of the Group's principal subsidiaries in France and abroad since their foundation. During the period covered by the historical financial information, there has been no resignation or dismissal of any of the statutory auditors.

2.3 FEES PAID TO THE STATUTORY AUDITORS

	Deloitte				CFG Audit			
	2010		2009		2010		2009	
	€000	%	€000	%	€000	%	€000	%
Audit								
- Statutory audits, certification, examination of the consolidated and separate financial statements								
Parent company	38.9	14%	-	0%	25.0	26%	2.0	2%
Subsidiaries	180.5	66%	175.2	72%	70.0	74%	78.0	97%
- Other procedures and services directly related to the statutory auditor's engagement								
Parent company	52.4	19%	52.4	23%				
Subsidiaries								
Subtotal	271.8	100%	227.6	100%	95.0	100%	80.0	100%
Other services rendered to fully consolidated subsidiaries								
- Legal, tax and human resources								
- Other								
Subtotal	-	0%	-	0%	-	0%		0%
Total	271.8	100%	227.6	100%	95.0	100%	80.0	100%

3 SELECTED FINANCIAL INFORMATION

3.1 GENERAL PRESENTATION OF THE GROUP AND KEY INDICATORS

Founded in 2001, ID Logistics is a major contract logistics and ancillary services operator in France and abroad including Spain, Poland, Russia, China, Taiwan, Indonesia, Morocco, Indian Ocean, Brazil and Argentina.

Capitalizing on its "pure player" position, ID Logistics provides customers with global logistics solutions covering the entire supply chain and provides the following services:

- **Warehousing and value-added services:** warehousing, inventory management, order picking, kitting, co-packing, packaging, replenishment, optimization of logistics flows, cross docking, etc.

- **Transportation and flow organization**: transport organization, administration of transport orders, routing plan optimization, dedicated vehicle fleet, combined transport, dedicated monitoring team, etc.

- **Supply chain:** implementation of integrated ERP or Warehouse Management System (WMS) software on behalf of customers, inbound and outbound warehouse flow monitoring, back-up plan, project management, etc.

- **Turnkey project delivery:** barycentric determination of the optimum customer site location, warehouse design in accordance with the customer's specific requirements, relations with local authorities, obtaining the requisite authorizations, etc.

- **E-commerce**: implementation of specific tools and appropriate office solutions, etc.

Since its inception, the Group has focused growth on a range of customers consisting primarily of major French retailers and European manufacturers.

These customers operate in the following sectors: dry goods (retail distribution); non-food or general goods (retail or specialized distribution); home improvement products; fresh produce (chilled temperature controlled deliveries for retail and manufacturing customers); the FMCG industry (Fast Moving Consumer Goods) (retail or specialized distribution suppliers); high-tech electrical products (distribution of hi-fi and high-technology products); industry (automotive, paints, chemicals, drinking glass manufacture); textiles (specialized distribution of clothing and accessories); fragrances (specialized boutiques or general retail); cross-channel e-commerce (websites developed by distribution customers in addition to their bricks-and-mortar retail outlets).

The Group posted 2010 revenues of €386.2 million, operating income of €12.5 million and net income of €5.0 million.

Backed by some 7,000 employees, the Group has 91 sites, comprising nearly 2 million square meters of warehouse space, and 130 contracts under management. The Group delivers daily to over 7,800 points of sale.

3.2 SELECTED ANNUAL FINANCIAL INFORMATION

The financial information given below is based on the consolidated financial statements for the years ended December 31, 2008, 2009 and 2010, prepared pursuant to current IFRS, as specified under Chapter 20 of the Base Document.

The principal accounting and operational data should be read in conjunction with the information contained in Chapters 9 "Review of results and the financial position", 10 "Cash and capital" and 20 "Financial information concerning the assets and liabilities, financial position and results of the issuer".

The figures appearing in this chapter are stated in euro million and have been rounded in line with those given under Chapter 20.

- Summary income statement for the year ended December 31

€m	**2010**	**2009**	**2008**
Revenues	386.2	309.8	299.8
EBITDA *	25.3	19.8	15.8
EBITDA margin (% revenues)	*6.6%*	*6.4%*	*5.3%*
Operating income	12.5	9.2	6.2
Operating margin (% revenues)	*3.2%*	*3.0%*	*2.1%*
Total consolidated net income	5.0	4.3	2.5
Net margin (% revenues)	*1.3%*	*1.4%*	*0.8%*

** EBITDA corresponds to operating income before depreciation, impairment and amortization on PP&E and intangible assets.*

- Breakdown of revenues for the year ended December 31

€m	**2010**	**2009**	**2008**
France	253.4	213.7	217.9
International	132.8	96.1	81.9
Total	386.2	309.8	299.8

- Breakdown of operating income for the year ended December 31

€m	**2010**	**2009**	**2008**
France	9.1	9.0	4.9
Operating margin (% revenues)	*3.6%*	*4.2%*	*2.2%*
International	3.4	0.2	1.3
Operating margin (% revenues)	*2.5%*	*0.2%*	*1.6%*
Total	12.5	9.2	6.2
Operating margin (% revenues)	*3.2%*	*3.0%*	*2.1%*

- Summary statement of cash flows for the year ended December 31

€m	**2010**	**2009**	**2008**
Net change in cash and cash equivalents			
- from operating activities	31.8	16.6	27.7
- from investing activities	(44.0)	(12.9)	(8.7)
- from financing activities	15.1	0.3	(16.8)
Other changes	0.2	0.1	0.1
Net underlying change in net cash and cash equivalents	3.1	4.1	2.3

- Summary balance sheet as of December 31

€m	**2010**	**2009**	**2008**
Non-current assets	131.4	96.1	68.6
Working capital	(48.1)	(36.4)	(27.8)
Net borrowings [(1)]	42.3	24.1	24.6
Total consolidated shareholders' equity	41.0	35.6	16.2

Net borrowings corresponds to gross borrowings plus bank overdrafts less cash and cash equivalents

3.3 SELECTED HALF-YEAR FINANCIAL INFORMATION

The financial information given below is based on the consolidated financial statements for the periods ended June 30, 2010 and 2011, prepared pursuant to current IFRS, as specified under Chapter 20 "Financial information concerning the assets and liabilities, financial position and results of the issuer" of the Base Document.

The principal accounting and operational data should be read in conjunction with the information contained in Chapters 9 "Review of results and the financial position", 10 "Cash and capital" and 20 "Financial information concerning the assets and liabilities, financial position and results of the issuer".

The figures appearing in this chapter are stated in euro million and have been rounded in line with those given under Chapter 20.

- Summary income statement for the six months ended June 30

€m	**2011**	**2010**
Revenues	211.8	182.4
EBITDA *	10.3	9.2
EBITDA margin (% revenues)	*4.9%*	*5.0%*
Operating income	3.8	3.1
Operating margin (% revenues)	*1.8%*	*1.7%*
Total consolidated net income	1.1	(0.2)
Net margin (% revenues)	*0.5%*	*0.1%*

** EBITDA corresponds to operating income before depreciation, impairment and amortization on PP&E and intangible assets.*

- Breakdown of revenues for the six months ended June 30

€m	**2011**	**2010**
France	138.1	120.1
International	73.8	62.3
Total	211.8	182.4

- Breakdown of operating income for the six months ended June 30

€m	**2011**	**2010**
France	3.2	2.7
Operating margin (% revenues)	*2.3%*	*2.3%*
International	0.6	0.4
Operating margin (% revenues)	*0.9%*	*0.6%*
Total	3.8	3.1
Operating margin (% revenues)	*1.8%*	*1.7%*

- Summary statement of cash flows for the six months ended June 30

€m	**2011**	**2010**
Net change in cash and cash equivalents		
- from operating activities	10.7	8.2
- from investing activities	(4.4)	(39.7)
- from financing activities	(4.4)	28.0
Other changes	(0.1)	0.2
Net underlying change in net cash and cash equivalents	1.8	(3.2)

- Summary balance sheet

€m	**6/30/2011**	**6/30/2010**
Fixed assets	128.8	131.4
Working capital	(49.9)	(48.1)
Net borrowings (1)	37.1	42.3
Total consolidated shareholders' equity	41.8	41.0

(1) Net borrowings corresponds to gross borrowings plus bank overdrafts less cash and cash equivalents

4 RISK FACTORS

Investors are invited to take into consideration all the information contained in the Base Document, including the risk factors described in this chapter, before deciding to subscribe for or purchase shares in the Company. The Company has reviewed the risks that could have a material adverse effect on the Group, its business activity, financial position, financial performance, outlook or ability to meet its objectives. It considers that, as of the Base Document Date, there are no material risks other than those presented in this chapter.

However, investors' attention is drawn to the fact that the list of risks and contingencies described below is not exhaustive. Other known or unknown risks, which are not considered likely to have a material adverse effect on the Group, its business activity, financial position or results as of the Base Document Date, may exist or become major factors that could have a material adverse effect on the Group, its business activity, financial position, results, development or outlook.

In each section below, the risk factors are presented in descending order of importance based on the Company's opinion as of the Base Document Date. Any new circumstances within or outside the Group could therefore alter this order of importance in the future.

4.1 RISKS RELATED TO THE GROUP'S BUSINESS ACTIVITY AND MARKET

4.1.1 Risks related to the state of the economy

The Group is a major contract logistics operator in France and abroad. Irrespective of the country, the development of the local contract logistics market is related, in particular, to the local state of the economy.

Although the Group benefits from an extensive and diversified geographical positioning, a slowdown in economic activity or a fall in consumption in one or more markets, particularly in France, which accounted for 65% of Group revenues in 2010, could therefore adversely affect the Group's business activity and financial results.

4.1.2 Risks related to the competition

Contract logistics, including ancillary services, is a highly competitive sector in France and in all of the countries in which the Group has operations. As such the Group frequently competes with many other companies of different sizes ranging from multinationals to local companies.

Moreover, since its inception the Group has grown strongly, boosted by an offering that stands out from the competition given the Group's ability to understand and adapt to customer requirements and given its technical standards, innovative technology and price. Any change or doubt concerning the Group's ability to stand out from the competition, could affect the Group's revenues and financial results.

4.1.3 Risks intrinsic to the activity

Logistics operations are handling operations which, even if they are considerably supported by mechanical and technological assets, nevertheless remain highly manual. Therefore, there is a risk of physical injury to employees. As stated in subsection 6.7.5 "Social and Societal Commitments", the Group implements preventive measures and monitors the occurrence of industrial accidents with a view to reducing their frequency and severity. New recruits receive specific training in safety procedures and in correct physical movements and positions for handling goods, as well as a safety booklet explaining all applicable Group rules and regulations. In addition, the Group has carried out technological innovations (*Pick and Go,* securing of bays, etc.) aimed at reducing the number and frequency of accidents. These combined measures have enabled the Group to reduce the number of industrial accidents over the last few years.

	2009	2010
Industrial accidents – frequency rate (1)	70.80	66.95
Industrial accidents – severity rate (2)	1.97	1.21

(1) no. of accidents during the year per million hours of work
(2) no. of days of temporary disability per 1,000 hours of work

The Group is also exposed to the risk of road accidents during the performance of the transportation services it may be required to carry out as part of its contract logistics services. Road risk is subject to a specific support and prevention plan that defines the procedures for recruitment, in-house and external training, awareness campaigns and driver monitoring designed to influence driver behavior in order to prevent risks. A driver bonus scheme based on minimizing accidents has been set up.

There is also a risk of destruction or loss of goods or equipment, in particular as a result of fire. The Group installs appropriate fire safety and prevention equipment on its sites, which at a minimum complies with applicable regulations. In addition, the Group's organizational structure is sufficiently responsive to enable it to transfer the operations of a disabled site to a new site within a few days. Lastly, the buildings, equipment and goods are covered by specific insurance policies for damage, civil liability etc, as described in Section 4.7 of this chapter.

Finally, with regard to the transportation services integrated into the Group's contract logistics operations, the Group is subject to fluctuations in the price of diesel. The Group considers that the risk that diesel price fluctuations could have a material impact on its financial results is limited by indexing provisions, which are commonly included in the Group's contracts.

Despite the measures taken, the occurrence of these risks intrinsic to the Group's logistics business could lead to an increase in insurance premiums or social security charges and could also affect its financial position, financial results, development and outlook.

4.1.4 Risks related to international growth

The Group is growing internationally, mainly by supporting its existing customers as part of their own international growth.

Establishing a presence in a foreign country usually involves setting up a local administrative structure with the management team required to operate the first warehousing site. This structure and team are subsequently responsible for developing the business of the subsidiary.

Under these conditions, establishment in a foreign country involves overheads that cannot be covered by operations. In addition, successive starts with new customers can entail costs that weigh heavily on the subsidiary's financial results until a certain critical mass is achieved. Finally, throughout this growth period the Group remains locally dependent on a limited number of contracts. The loss of a major contract in a given country could pose a threat to the Group's operations in that country.

The Group's international operations are carried out primarily in countries undergoing sharp growth. Such countries are subject to risks to which the Group is also exposed, in particular GDP volatility, relative economic instability (as evidenced by major fluctuations in inflation, interest rates or exchange rates), rapid or major changes in national regulations (e.g. tax, exchange control, foreign investment, etc.), etc.

Finally, without ruling out a similar situation in more developed countries including France, these high-growth countries are exposed to unethical practices. Although it is impossible to protect itself completely against this type of conduct, the Group has implemented control procedures designed to prevent it.

All of these factors could affect the Group's financial position, financial results, development and outlook.

4.1.5 Risks related to outsourcing

The Group may employ external service providers (e.g. temporary employment agencies, equipment rental firms, IT subcontractors, etc.) in conjunction with its contract logistics and ancillary service activities. In order to meet its needs, the Group regularly controls the quality of its subcontractors and maintains a large and diversified subcontractor database. As of the Base Document Date, the Group is not dependent on any given external supplier in such a way that this might represent a risk to the smooth functioning of the Group's operations.

4.1.6 Risks related to information systems

In conjunction with its operations, the Group uses a certain amount of computer equipment and information systems, in particular to manage and safeguard its daily information flows. These systems are used to organize logistics, customer billing, management of operating staff, financial control of operations and communication to customers of the information required for their inventory management.

The Group pays particular attention to data back-up and rapid data restoration in case of an incident. In France, all emergency and back-up networks are duplicated and managed from two separate cleanrooms operated by a leading service provider.

In order to optimize assets and minimize risks, the management of information systems for certain countries or regions outside France (e.g. Spain, Poland, Indian Ocean and Morocco) is centralized and carried out directly by staff and assets based in France.

Nevertheless, in view of the flow of information managed by the Group, if these information systems failed or if certain databases were destroyed or damaged for any reason whatsoever, the Group's operations could be disrupted. As a result, the Group's financial position and financial results could be adversely affected.

4.1.7 Risks related to real estate

The Group's real estate policy consists in renting its warehouse space for the same periods and under the same lease termination terms and conditions as those applicable to its contracts with its customers. This policy allows the Group to limit the risk of unused space.

As an exception to its policy of leasing real estate, in view of specific market conditions and customer commitments, the Group decided to acquire 75,000 sqm of warehouse space in Brebières in North France by means of a finance lease (see Chapter 8 "Property, plant and equipment"). The customer leasing this warehouse is a leading specialized retailer. Under the lease, this customer is committed to a firm period of nearly ten years, which covers practically the whole 12-year term of the finance lease.

This class "A" warehouse, situated in the vicinity of several vibrant commercial hubs, is sufficiently designed for general purposes to allow it to be sold if necessary. However, the Group remains sensitive to the global economic situation and to the risk of fluctuation in the discount rates used to value the warehouse market. An adverse trend in this respect could have an adverse effect on the valuation of the Brebières warehouse and consequently on the Group's financial position and financial results.

As part of its integrated logistics service offering, the Group may be required to assist its customers in the performance of barycentric analyses, a search for land or oversight of a warehouse construction project, including obtaining building permits during the administrative stage. This type of service entails the risks that it may not be possible to defer, reinvoice to the customer or cancel, in the case of delay or project cancellation, the costs incurred during the preparatory stages, that the requisite financing may not be obtained on favorable terms or that the actual construction cost is higher than the initial estimate. These risks could in turn have an adverse effect on the Group's financial position and financial results.

As of the Base Document Date, all costs of warehouses under the Group's management (see subsection 6.3.4) are recharged to customers (see section 6.3.4). Furthermore, as of the Base Document Date, there are no rented warehouses that are not in use. With regard to its real estate policy (harmonization of lease periods and lease termination terms and conditions with those applicable to its customer contracts), in the short term the Group does not expect to see any discrepancy between the periods of the contracts and those of the lease agreements.

4.1.8 Risks of dependence on customers

In accordance with its growth strategy, the Group manages a customer portfolio that is diversified in terms of contract type, business sector, service and geographical region. 2010 revenues from the Group's top three customers amounted to 28% of consolidated revenues, evenly balanced between these three customers, and no single customer contract accounted for as much as 5% of Group consolidated revenues. The Group considers that the risk of loss of any one of these customers having a material adverse effect on the Group's financial performance is limited.

4.1.9 Risks related to managing growth

The Group's business has grown rapidly since its foundation, mainly through organic growth. In the future, this growth will continue to be based on organic growth, possibly supplemented by acquisitions (see Chapter 6.5 "ID Logistics growth strategy").

- Organic growth
  The Group's organic growth is based on growth in revenues from existing contracts (e.g. price indexing, increase in volumes handled, initiation of new services, etc.) and on winning new contracts through tenders. Although the Group has acquired considerable experience in gaining new contracts, in particular through the launch or takeover of sites, this type of growth may involve major costs during the start-up phase, in relation to the start of operations on a new site or the takeover of staff, equipment and information systems on existing sites.

- Acquisitions
  As part of its growth strategy, the Group plans to carry out acquisitions in addition to its organic growth. However, the Group cannot guarantee that it will succeed in identifying, acquiring and integrating the best acquisition targets. Such operations, by their very nature, also involve risks related *inter alia* to the valuation of the assets and liabilities acquired, the integration of staff, business activities and technologies (including information systems) and the development of relations with the relevant customers and partners.

The Group's inability to manage its organic growth, acquisitions or unexpected difficulties encountered during its expansion could have an adverse effect on its business activity, financial results, financial position, growth and outlook.

4.2 REGULATORY AND LEGAL RISKS

4.2.1 Risks related to current and future regulations

Contract logistics, including ancillary services, is a highly regulated activity both in France and in the various countries in which the Group operates.

Such regulations are applied through warehouse operating permits, transport licenses and specific environmental regulations.

The Group undergoes periodic compliance audits with regard to its obligations in France and abroad. In the past, the Group has not suffered any material adverse impact on its financial position or results owing to any failure to comply with a regulation. However, in view of the geographical diversity of its sites and the complexity of certain regulations, the Group cannot guarantee that its interpretation of the various regulations will not be challenged and that adverse consequences may not arise therefrom.

In addition to compliance with existing regulations, and even if revision clauses are included in most customer contracts whenever there are major amendments to the regulations, any change in operational, environmental, tax, labor or other regulations could affect the Group's business activities, financial position and results.

4.2.2 Environmental risks

By their nature, the Company's activities do not entail material environmental risks. However, the Group ensures that environmental standards are respected, in order to minimize environmental risks, and implements an active policy with regard to sustainable development, as detailed in Chapter 6.7 "Sustainable development and growth" of the Base Document.

As of the Base Document Date, the Group stores and handles a certain amount of materials regarded as toxic under Seveso or equivalent regulations (i.e. aerosols, car batteries, paint, etc.) and provides the corresponding road transport services. These activities and services are of limited scope compared to the rest of the Group's activities and the Group considers that it is not significantly exposed to environmental risks.

4.2.3 Risks related to litigation to which the Group is party

During the normal course of its activities, the Group is exposed to legal risks in view of its status as an employer, tax-payer, service provider and purchaser of goods and services.

There are no government, court or arbitration proceedings, including any proceedings of which the Group has cognizance or proceedings which are suspended or threatened, that could have or that have over the last 12 months had material effects on the Group's financial position or earnings.

4.2.4 Risks related to intellectual property

The Groups considers that it owns, or validly holds the rights to use, all intellectual property rights that it exercises in conjunction with its business activities (in particular with regard to trademarks, logos and domain names) and that it has taken all reasonable steps, compatible with business requirements, to protect its intellectual property rights.

However, and in particular abroad, the Group cannot be sure that it will obtain similar protection as that obtained in France in countries which could become target markets in the future, and cannot rule out unfair competition or fraud committed by a third party.

4.3 FINANCIAL RISKS

4.3.1 Exchange risk

The Group publishes its consolidated financial statements and carries out most of its operations in euros. The Group's subsidiaries situated outside the eurozone trade largely in local currency, which limits the Group's exposure to exchange rate fluctuations.

The difference between assets excluding goodwill and liabilities excluding shareholders' equity denominated in currencies other than the euro (i.e. Taiwanese Dollar, Chinese Yuan, Brazilian Real, Polish Zloty, Argentine Peso, Indonesian Rupee, Russian Ruble and Moroccan Dinar) amounted to the equivalent of €14.8 million as of June 30, 2011, broken down as follows:

Foreign currency amounts (€m)	TWD	CNY	BRL	PLN	ARS	Others	Total
Assets excluding goodwill	5.6	3.9	18.0	4.9	2.1	5.3	39.8
Liabilities excluding shareholders' equity	(3.5)	(2.9)	(12.1)	(3.7)	(1.0)	(1.8)	(25.0)
Net assets	2.1	1.0	5.9	1.2	1.0	3.5	14.8

The Group periodically reappraises its exposure to exchange risk and, as of June 30, 2011, these amounts were not subject to any specific hedging.

The Group cannot rule out the possibility that major growth in its international business could lead to greater exposure to exchange risk. In this case, the Group might decide to adopt a policy of exchange risk hedging. As of the Base Document Date, the Group considers that its exposure to exchange risk is not material.

4.3.2 Credit risk

Most Group customers are leading international companies in their respective sectors. Owing to the quality of its principal counterparties, the diversification of its customers and its customer credit management system, the Group has never incurred material bad debt losses and considers that it is not exposed to significant credit risk.

4.3.3 Interest rate risk

As of June 30, 2011, most of the Group's borrowings (in the form of bank loans or finance leases) is taken out by French legal entities.

At present, before interest rate hedges are accounted for, 67% of the Group's borrowings are subject to floating interest rates. To provide against an adverse trend in interest rates, the Group has implemented a hedging strategy in the form of swap contracts (swap between floating and fixed rates) or cap agreements (floating rate caps). After hedging agreements are accounted for, the portion of the Group's borrowings as of June 30, 2011 still subject to floating rates is not material.

4.3.4 Risks related to cash management

The Group practices prudent management of its available cash. Cash and cash equivalents comprise available cash and cash equivalents, call deposits and investments in money market instruments with maturities of no more than three months.

4.3.5 Liquidity risk

The Group periodically reviews its sources of financing in order to maintain sufficient liquidity at any moment. For its financing the Group relies principally on available cash, factoring, bank overdrafts, finance leases, real estate finance leases and a bank loan.

As of June 30, 2011, the Group holds net available cash and cash equivalents of €15.1 million and borrowings with the following maturities:

€m	Less than 1 year	1 to 5 years	More than 5 years
Finance leases	8.8	19.7	17.8
Bank loan	1.9	0.6	-
Factoring	2.4	-	-
Other payables	0.3	0.2	-
Total	13.4	20.5	17.8

As stated in subsection 10.1.4 "Loan terms and conditions and financing structure", the €2.3 million bank loan as of June 30, 2011 is subject to compliance with certain financial ratios. This loan is repaid on a quarterly basis until July 31, 2012. Non-compliance with these ratios or a lack of prior waiver or approval from the lending banks may lead to the remaining principal balance falling due immediately as of the date of the non-compliance.

In addition, the bank loan covenant ratios are calculated on the basis of annual indicators determined as of December 31 (the details of the calculation methods are set out in subsection 10.1.4 of the Base Document). The next calculation of these ratios will therefore be made on the basis of the financial statements for the year ended December 31, 2011. It is difficult to determine the ratios without these financial statements. If the Company failed to comply with all of its covenants in respect of this bank loan, it would request the banking syndicate to waive the early repayment of the outstanding balance, as the Company has done in previous years. If this waiver were not granted, the Company would be compelled to repay in advance the last repayment installments of this loan, which were originally scheduled for April and July 2012 amounting to €0.8 million. This would not have a material impact on the Group's financial position.

As of June 30, 2011, the Group had unused credit lines amounting to €9.4 million in the form of borrowings and €4.3 million in the form of finance lease liabilities (compared to €8.1 million and €6.3 million respectively as of December 31, 2010, as stated in Note 14 to the 2010 financial statements). The unused credit lines have terms of one year. In addition, the Group has a master factoring agreement relating to its business in France and Spain. This represents a total potential resource of €30.4 million, €2.4 million of which had been used as of June 30, 2011.

The Company carried out a specific appraisal of its liquidity risk and considers that, as of the Base Document Date, it is able to meet its future liabilities over the next twelve months.

4.3.6 Risks related to goodwill impairment tests

The Group carries out goodwill impairment tests once a year (see Notes to the Financial Statements in Chapter 20 "Financial information concerning the assets and liabilities, financial position and results" of the Base Document). Future events, which are unpredictable by nature, could result in impairment of some of this goodwill.

As of June 30, 2011, the goodwill net book value breaks down by geographical region as follows:

€m	6/30/2011
France	48.3
International	11.1
Total	59.4

Material impairments could have an adverse effect on the Group's financial position and performance for the year in which such charges are recognized.

4.4 RISKS RELATING TO HUMAN RESOURCES

4.4.1.1 Human resources management

In order to manage and grow the Group's business activities, qualified technicians and managers must be recruited and retained. The success of the Group's operations depends in particular on the experience and the commitment of the management team and other key personnel. The Group's ability to retain its employees, to attract and integrate new high-quality staff and to train and promote promising employees is an important factor.

The Group has implemented an active human resources strategy in France and abroad aimed at identifying, attracting, retaining and updating the skills and competencies required for its operations and growth in a highly competitive environment. This policy is described in detail in Chapter 6.4 of the Base Document. If the Group lost the services of one or more of its managers or key personnel, the Group considers that most responsibilities held by such individuals could be assumed by other persons, if necessary after a period of adaptation and/or training for the vacant jobs. However, the departure or long-term absence of one or more such persons could have an adverse effect on the Group's strategy or business activity and could adversely affect the implementation of new projects required for its growth and consequently have an adverse effect on the Group's business activity.

In addition, the Group cannot rule out potential severance costs if employees are released despite options for redeploying staff within the Group.

Furthermore, the Group's operations require a considerable number of temporary employees (24% of the headcount in 2010). These employees are hired through a number of specialized leading employment agencies with which the Group has master agreements enabling it to procure additional personnel at any given moment in accordance with activity peaks. The Group believes that it is not exposed to a temporary employment risk or a risk of dependence on a sole external service provider (see subsection 4.1.5 in particular).

The temporary employment agencies are regularly controlled or invited to bid in tender offers organized by the Group. During these controls and tender offers, the Group pays particular attention to the training, safety and security procedures followed by these agencies and to procedures relating to compliance with legislation (Labor Code, immigration law, etc.). Although the Group cannot rule out the possibility of non-compliance in the procedures followed by its temporary employment agencies, it considers that there is only a limited risk that such non-compliance could have a material impact on the Group's financial position or results.

All the aforementioned factors could therefore affect the Group's financial position, results, growth and outlook.

4.4.2 Management of industrial relations

The Group's business activities could be disrupted by strikes, employee claims and other labor action. Given that the Group has no insurance protection for operating losses from business interruption caused by labor action, its business activity, financial position and operating results could be affected. Despite the care which the Group applies to its industrial relations management, it cannot rule out the possibility of deterioration in industrial relations or disruption in labor.

4.5 RISKS RELATED TO THE COMPANY'S SHAREHOLDER STRUCTURE

As of the Base Document Date, Eric Hémar directly and indirectly holds 72.74% of the Group's capital stock and 74.70% of its voting rights. As such Eric Hémar is entitled to take decisions alone that fall within the powers of the shareholders' general meeting, such as appointment of corporate bodies, approval of the financial statements, dividend distributions and amendments to the bylaws.

In addition, approximately 4% of the Group's customer contracts include a provision regarding changes in control of the Company whereby the customer may request the termination of the contract in question. Therefore the Group considers that the risks relating to a change in control are not significant.

4.6 RISK OF DILUTION

As of the Base Document Date, Immod holds 47.24% of the Company's capital and 155,520 warrants whose main characteristics are described in subsection 21.1.4 "Securities giving entitlement to equity" of Chapter 21 "Additional information". Each warrant entitles the holder to subscribe to one share, representing as of the Base Document Date a 7.04% maximum possible dilution in equity.

Finally, in the future ID Logistics Group may issue or allot shares or new financial instruments giving access to the Company's capital as part of its strategy to incentivize its managers and employees. Any additional allotment or issue would entail a further and potentially material dilution for the Company's shareholders.

4.7 GROUP INSURANCE POLICIES

The Company pursues a policy to insure the main insurable risks, with coverage and excess limits deemed to correspond to the nature of its business activity. This strategy is managed centrally via blanket agreements covering all countries in which the Group operates, and is directly managed by the Group Legal Affairs Department.

For fiscal years ended December 2008, 2009 and 2010, the Group's total insurance premiums amounted to €1.8 million, €1.9 million and €2.2 million respectively.

- **Liability**

  The Group's insurance strategy consists in covering liability risks with policies for the entire Group including foreign subsidiaries.

  The Group's insurance companies and brokers are all well known and have international networks. Consequently, foreign subsidiaries are insured through policies taken out locally based on "local market best practices"; while the French master policy, applies with differences in limits and terms and conditions.

  The purpose of the liability insurance policies is to cover:

  - The liability of the Group's directors and corporate officers;
  - Operational liability risks, trustee's liability, post-delivery and professional liability relating in particular to logistics and inventory management activities, owner's liability, organizer's liability, employer's liability arising from gross negligence, liability relating to subcontractors, liability arising from the temporary occupation of premises belonging to third parties and liability for damage to third part assets held by the Group;

- Contractual liability and liability for physical damage to goods, as well as any consequential non-physical damage, in particular when performing the Group's transport organizing activities

Movements in liability insurance budgets have been in line with insurance market trends for liability over the last three years, when premiums have been flat or even reduced.

- **Property damage**

The Group's strategy with regard to property damage insurance is identical to its liability insurance strategy described above.

Property damage insurance is intended to cover physical damage to the Group's property, given that the vast majority of buildings and goods are insured by third parties with mutual waiver of claims.

The general contractual indemnity limit and the wording of the policy are in line with market practice.

Movements in property damage insurance budgets have been in line with insurance market trends for property damage over the last three years, when premiums have been flat or even reduced and varying depending on several criteria, including coverage, site protection and risk prevention and claims history.

Over the last three years there have been no major claims that have not been covered by insurance.

- **Automotive Insurance**

The Group's strategy regarding Automotive Insurance consists in covering the Group and its subsidiaries for all owned and/or leased vehicles or third party vehicles used by them in any capacity.

Automotive fleet budgets have moved in line with the automotive insurance market, which has firmed largely due to increasing losses caused by higher repair costs and increased personal injury claims.

- **Operating loss insurance**

The Group periodically calculates the cost-benefit of operating loss insurance, following which the Group has decided not to take out operating loss insurance.

However, property damage policies including coverage against additional operating costs following a non-excluded claim have been taken out.

In view of the above, ID Logistics considers that its level of risk coverage is in accordance with its business activity and that any excess amount that the Group might be required to pay in connection with an insurance claim would not have a material impact on its financial position.

5 INFORMATION CONCERNING THE COMPANY

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 Registered name of the Company

The Company's registered name is: ID LOGISTICS GROUP.

Prior to the June 21, 2010 shareholders' general meeting, the Company's registered name was: "Vision Investissement".

5.1.2 Place of registration and Company registration number

The Company was registered with the Trade and Companies Registry of Paris on October 3, 2001 before being transferred on October 4, 2005 to the Trade and Companies Registry of Avignon under number 439 418 922.

5.1.3 Date of incorporation and term

The Company was incorporated for a 99 year term ending October 3, 2100, except in the event of early dissolution or extension.

5.1.4 The Company's head office and legal form, legislation governing its business activities

Originally incorporated as a *société par actions simplifiée* (French simplified joint stock company), the Company was transformed into a *société anonyme* (French joint stock company) pursuant to the decision of the June 21, 2010 shareholders' general meeting.

The Company is subject to French law and in particular Articles L. 225-1 *et seq.* of the French Commercial Code apply for its operations.

The Company's head office is located at: 410, route du Moulin de Losque 84300 Cavaillon. The Company's contact details are as follows:
Telephone: +33 (0)4 32 52 96 00
Website: www.id-logistics.com.

5.1.5 Significant events in the Company's development

The key dates in the history of the Company are as follows:

2001

- Incorporation of Vision Investissement, which was subsequently renamed ID Logistics Group
- Acquisition of the logistics business of La Flèche Cavaillonnaise
- First round of funding: Fonds Partenaire Gestion (Banque Lazard) 44%, La Flèche Cavaillonnaise 27%, founders 29%
- Launch of the subsidiary and commencement of operations in Taiwan
- By the end of the year the Group was already operating nearly 100,000 sqm

of warehouse space

2002
- Launch of the subsidiary and start of operations in Brazil

2003
- Start of operations in China
- Development and deployment of order "voice-picking" technology in France: paperless voice recognition order picking

2004
- Warehouse space operated by the Group passes the 500,000 sqm mark, with revenues of €100 million
- Launch of site equipped with high-frequency sorting at Evry, France
- Launch of two subsidiaries and start of operations on La Reunion

2005
- Shareholder restructuring after Banque Lazard's withdrawal: the directors hold 50.5% of the Group

2006
- Launch of the subsidiary and start of operations in Spain
- The Group operates 1 million sqm of warehouse space worldwide and becomes one of the top ten logistics operators in France in terms of revenue (source: Journal de la Logistique, September 2007)

2007
- La Flèche Cavaillonnaise becomes a ID Logistics Group subsidiary, now independent and wholly owned by its directors
- Launch of the subsidiary and start of operations in Indonesia

2008
- Launch of the subsidiary and start of operations in Poland

2009
- Launch of the subsidiary and start of operations in Argentina
- Start of "Logistic on demand" operations in Morocco (providing "Service as a Software" solutions with leased warehouse management IT systems)

2010
- Launch of the subsidiary and start of operations in Russia
- Launch of the first *Pick-n-Go* smart forklift truck in France: a classic order-picking truck connected to a radio frequency voice recognition system, a warehouse management software and a laser guiding system

2011
- Warehouse space operated by the Group worldwide has doubled in 5 years and is now nearly 2 million sqm.

5.2 CAPITAL EXPENDITURE

5.2.1 Main capital expenditure over the last three fiscal years

Capital expenditure over the last three years breaks down as follows:

€m	2010	2009	2008
Intangible assets	0.8	1.4	1.4
Property, plant and equipment	45.4	12.9	9.9
Financial assets	1.4	0.2	0.6
Total	47.6	14.5	11.9

The main asset purchased over the last three years was a 75,000 sqm warehouse located in Brebières in North France. The warehouse required a total investment of €32.0 million in 2010, financed by means of a 12-year financial lease with a firm contractual undertaking of nearly 10 years.

The other capital expenditure during this period was related to ordinary operations including storage equipment, fork-lift trucks, transport equipment, information systems, computer hardware, electronic access and surveillance material and equipment. This capital expenditure is usually made at the start of a new contract.

5.2.2 Principal ongoing capital expenditure

As of the Base Document Date, there are no material assets in progress.

5.2.3 Main capital expenditure planned

As of the Base Document Date, the company’s executive bodies have not adopted any firm commitments regarding major capital expenditure.

6 OVERVIEW OF ACTIVITIES

6.1 GENERAL PRESENTATION OF ID LOGISTICS

ID Logistics is a major contract logistics operator in France and abroad. With operations based in ten countries and regions, the Group provides domestic, and therefore principally land-based, contract logistics services in each of them. To date, the Group does not handle international transport, with the exception of a small-scale container management operation.

6.1.1 ID Logistics profile

Activities	Provision of logistics and ancillary services, supply chain optimization for major FMCG retailers and manufacturers worldwide
Location of ID Logistics sites	11 (France, Spain, Poland, Russia, China, Taiwan, Indonesia, Morocco, Indian Ocean, Brazil, Argentina)
Number of sites	91 sites representing 1,951,000 sqm of warehouses (average area of 21,400 sqm) as of June 30, 2011
Number of packages/items prepared per day	1,452,334 packages prepared per day (i.e. approx. 530 million per year)
Number of stores supplied per day	7,826 points of sale supplied per day (incl. 848 hypermarkets, 1,909 supermarkets, 4,345 convenience stores, 724 others)
Number of employees	7,325 permanent employees including 304 managers as of June 30, 2011
Number of customer contracts	145 contract logistics contracts as of June 30, 2011

6.1.2 ID Logistics: a booming contract logistics pure player

ID Logistics is a contract logistics pure player having developed skills and competencies that distinguish it from its direct competitors; this explains why the Group has grown so strongly over the past few years:

- A totally customer-focused organizational system

ID Logistics strives to place itself at the core of its customers' logistics strategy. The Group has implemented a specific organization system (based on Contract Managers, see subsection 6.4.1) centered on the customer relationship in order to meet customers' expectations as closely as possible and to generate proposals that anticipate their future development.

- Consistent first-grade operational quality worldwide

In order to offer top-quality service consistently across all its subsidiaries in France and abroad, the Group has established a set of "best practices" with a view to ensuring top quality of service when launching new sites in France and abroad, and facilitating the transfer of expertise and values within the Group.

- A culture geared towards innovation

Since inception, the Group has made innovation one of its top priorities, notably by setting up an R&D department so that it can offer customers cutting-edge technological solutions. This policy allows the Group to develop so as to improve the operational and financial performance of its operating sites and to offer better working conditions for its employees (e.g. via a reduction in accident rates, increased productivity, etc.).

- Control of information systems

The Group has acquired significant expertise in the management and implementation of information systems, allowing it to install customized solutions according to the site typology and to benefit from real-time access to structured information. The fluidity and reliability of this information allow the Group in particular to analyze and thus continuously improve site performance.

- Very experienced employees who share Group values

The Group attaches particular importance to value-sharing between employees: its core values are enterprise, operational excellence, rigor and solidarity. Moreover, ID Logistics has been able to attract and retain talented people and to construct a stable management team in consequence.

Finally, in addition to its competitive advantages, ID Logistics has adopted a customer-focused strategy of sustainable development and growth. To this end, the Group has set up a number of projects aimed at reducing the Group's carbon footprint and has developed specific environmental and financial analysis and improvement expertise on behalf of its customers.

6.2 THE MARKET AND TRENDS

6.2.1 Definition of contract logistics

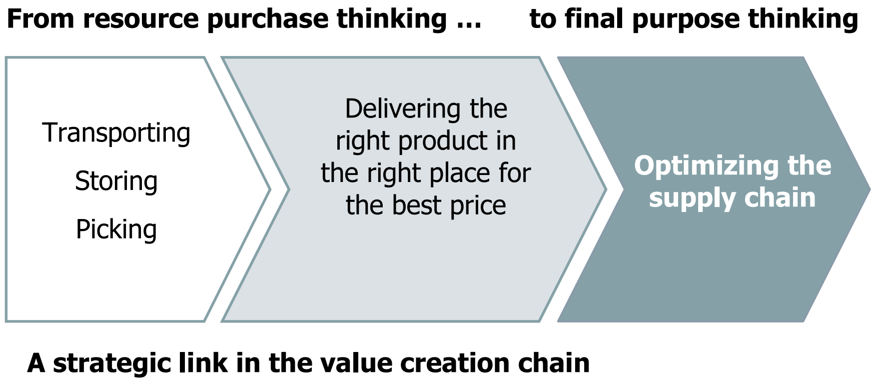
"Logistics comprises all operations that enable the right product to be delivered at the right time, in the right place and at the lowest cost. Specifically, logistics refers to the business of managing flows between an enterprise, its suppliers and its customers. It consists in optimizing both the physical flow of goods and information flows or financial flows both within the company and for a third party." Xerfi 2010 – Logistics operators in France*.*

Contract logistics consists in formalizing the assets to be employed and the objectives to be met by means of a formal contractual commitment between the customer and the service provider.

6.2.2 A changing business

During the last ten years, the shipper (representing the payer of the logistics operator) has gradually shifted its thinking from that of a purchaser of separate services (warehousing, transportation, labor for value-added services, etc.) to thinking in terms of final purpose, where global supply chain management has become a key competitive factor.

The diagram below illustrates this development:



In fact, the surface area allocated to warehousing by shippers has decreased sharply owing to the use of part of this surface for sales operations (retailers) or production (manufacturers). The tightening of the regulations has also led to the rapid growth of so-called class "A" logistics sites. This trend is reflected in the increased outsourcing of inventory management and in tighter product flows of increasing speed and complexity.

This tight logistics flow causes major fluctuations in volumes handled, with ever more accentuated activity peaks forcing logistics companies to provide innovative solutions. This is especially the case in the large retail sector. In order to implement flexible and reactive solutions, logistics operators need to anticipate flows in advance, sharing information on their forecasting activities with their customers, and steer the whole of the logistics process from supplier to end customer.

Thus major customers are manifesting a growing preference for service providers able to cover all aspects of logistics and to operate over a wide geographical area. They want to work with logistics operators who can optimize the whole of their logistics process in terms of planning, physical and information flow management and cost reduction (global flow management offer) and who can align themselves with the customer's development strategy and hence with its logistics strategy.

Managing and optimizing a customer's supply chain therefore requires a cross-functional approach to flows within a company, from planning to execution, from the consideration of market requirements to the assets to be deployed in order to satisfy those requirements. This approach frequently results in the implementation of a continuous improvement process and of profound rethinking leading to the reorganization and reengineering of the entire logistics process. The aim of this continuous improvement approach is therefore to improve the availability of a retailer's products for the end customer and, in consequence, the financial performance of the retailer.

Abroad, the growth of major retailers and manufacturers in emerging countries has been supported by the introduction of logistics solutions adapted to the specific features of each country. The rapid pace of growth and state of development in these countries ensures steady growth in the logistics market.

ID Logistics was founded in 2001 specifically as a response to growing demand from large consumer goods shippers, retailers and manufacturers, in France and abroad. Its capacity to anticipate market developments and respond to them has been the principal driving force behind the meteoric growth it has enjoyed since inception.

6.2.3 New customer expectations

Current shipper expectations are more complex and more global. They are summarized in the table below:

Shippers' expectations (source: XERFI, aforementioned report)	**Logistics provider's responses**
"Improvement in flexibility (delivery times, reactivity), especially during periods of economic uncertainty"	Define with each customer the tools and assets with which to ensure such flexibility
"Greater market differentiation and specialization"	Develop a customer-focused approach allowing customers to benefit from specialized know-how according to type of activity
"Less price rigidity owing to the ability to offer sharing arrangements"	Demonstrate ability to offer solutions common to several customers or between manufacturers and retailers
"A more comprehensive traceability offer"	Perfect mastery of advanced IT systems, to meet the requirements of customers demanding complete traceability of goods, both food and non-food
"Optimized information systems (EDI, RFID)"	Prioritize integration of IT solutions in order to optimize logistics
"Improved communication"	Formalize and periodically review information exchange systems
"More environment-friendly flow management"	Make environment-friendly flow management a standard component in offers
"International services and networks"	As practiced by ID Logistics, incorporate the ability to support customers in foreign operations as a key element in development strategy

6.2.4 The French contract logistics market

The contract logistics market encompasses a wide range of activities including warehouse inventory management, related services such as packaging and end-of-production operations and the management of all associated flows, in particular transportation. It is difficult, therefore, to estimate directly the size of the market, as it would also be necessary to use the figures published by the various sub-groups concerned.

The transportation, warehousing and value-added services market

According to the aforementioned study carried out by Xerfi, the transportation market in France is estimated at nearly €38.5 billion and the French warehousing market at around €6.7 billion. Market analysis company Analytiqa estimates the French contract logistics market at €40 billion ("*Contract logistics in France, market analysis by industry sector, outsourcing and forecasts 2015*").

The total size of the transportation, warehousing and value-added services market may be estimated at between €40-45 billion, i.e. 2.5% of French GDP in 2010 (excluding air and sea transportation).

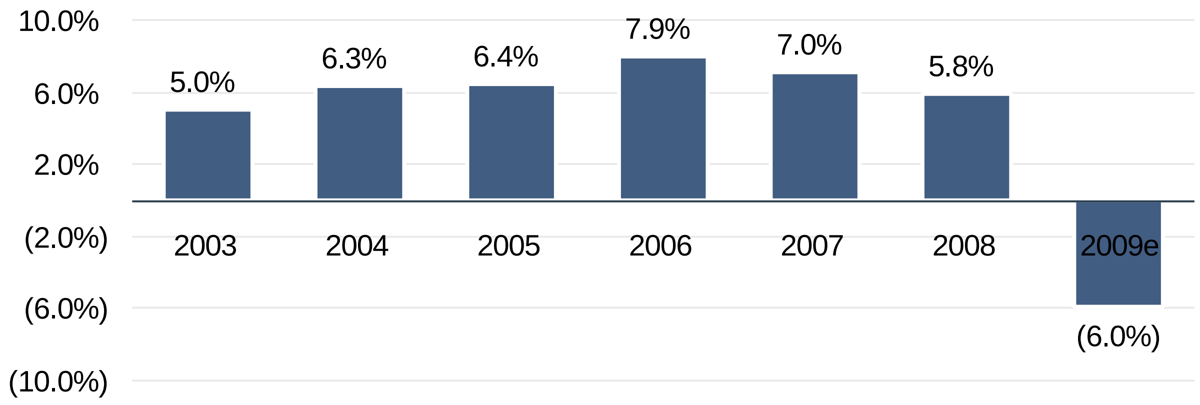
The contract logistics market accounts for less than 20% of this market, but is growing more rapidly

The contract logistics market may be estimated at around €8 billion, representing 16% of the broader transportation, warehousing and value-added services market. The top ten companies in the French contract logistics market (see details in subsection 6.2.4) account for less than half of this market, and none of them has a market share of more than 10% (source: *Supply Chain Magazine*, May 2011).

Within the global transportation and warehousing market, which is growing in line with GDP, the contract logistics market is growing more strongly, in particular owing to companies' increasing outsourcing of this function.

As such the contract logistics market experienced average annual growth of more than 5% between 2003 and 2008. In 2009 there was a global fall of 6%, due principally to a slump in volumes that mainly affected logistics operators associated with the manufacturing industry, for which volumes fell by 13%. This contrasted with the retail sector that suffered a fall of only 0.6% in volumes for the same period (source: INSEE).

Revenue growth of the leading logistics operators



Source: Xerfi

Market development factors

- **Sensitivity to the state of the economy and consumer trends**

While sensitive to the economic situation, household consumption (particularly for consumer goods) is relatively stable in volume provided that demographic trends are constant. Indeed, at times of economic difficulty, end customers are primarily sensitive to the price of the product: they will reduce their expenditure in terms of value but not necessarily in terms of volume. Therefore contract logistics companies, whose income depends mainly on volumes handled (pallets, order picking, etc.) are less affected by economic slowdowns. Nevertheless, the major difficulty for contract logistics players during an economic crisis lies in the erratic fluctuation in volumes handled and the uncertainty concerning them. Household consumption also depends on changes in purchasing power and on demographic trends.

Developments in consumer habits (in particular the rise of hard discount stores, specialized retailers, on-line shopping etc.) may result in the emergence of new market players and may induce major customers to modify their logistics arrangements. Adaptation to consumer behavior is a key factor for large retailers and consequently for their logistics operators as well.

- **Optimization of customers' supply chains has become a key strategic factor**

In order to respond to customers' new expectations, logistics groups are positioning themselves as global providers able to manage all types of goods flow over an ever expanding geographical area. Good supply chain management for consumer goods customers has become an important selling point and source of added value through product availability, limiting inventory shortages, minimizing inventories and costs, etc.).

In addition, major customers tend to prefer a limited number of suppliers capable of sustaining structuring projects that require genuine expertise and a capacity for investment. This growing importance of leading players in the industry is counterbalanced by a decline in the policy of purchasing services from a wide range of transportation and warehousing suppliers.

- **A strategy of increased outsourcing**

Besides economic factors, the environment in which logistics operators operate is characterized by a structural upward trend in the outsourcing of logistics functions by shippers. The use of subcontractors in this way is justified by the following needs:

- Cost-cutting: in-house logistics structures are frequently a source of high costs for companies
- Flexibility: in order to focus on their core business without the need to concern themselves with logistics issues, customers are expecting their logistics operators to demonstrate a real ability to share costs coupled with a certain flexibility
- Expertise: the high-level technical know-how required to manage flows of increasing complexity is guaranteed by the logistics operator’s experience and capacity for innovation
- Support for foreign growth: outsourcing increases a company’s capacity for deployment abroad, especially in the case of rapid growth.

In France, the rate of logistics function outsourcing is estimated at 30% (*source: Xerfi*) compared to 40 to 45% in Anglo-Saxon countries. There is still considerable scope for progress, especially during the current period when the uncertainty and lack of confidence that plague the global economy are a source of reassurance for economic players that have decided to focus on their core business and outsource their ancillary functions in order to gain flexibility and reduce costs.

- **The development of optimized logistics solutions is necessary owing to the structural increase in the cost of inland transport**

For about ten years, the main shippers have been convinced that the cost of transportation can only rise, due to:

- rising oil prices,
- an increasingly stringent transport taxation policy (road tolls, etc.),
- increasingly stringent environmental regulations, initiated in particular by governments (e.g. the Grenelle Environment Forum in France).

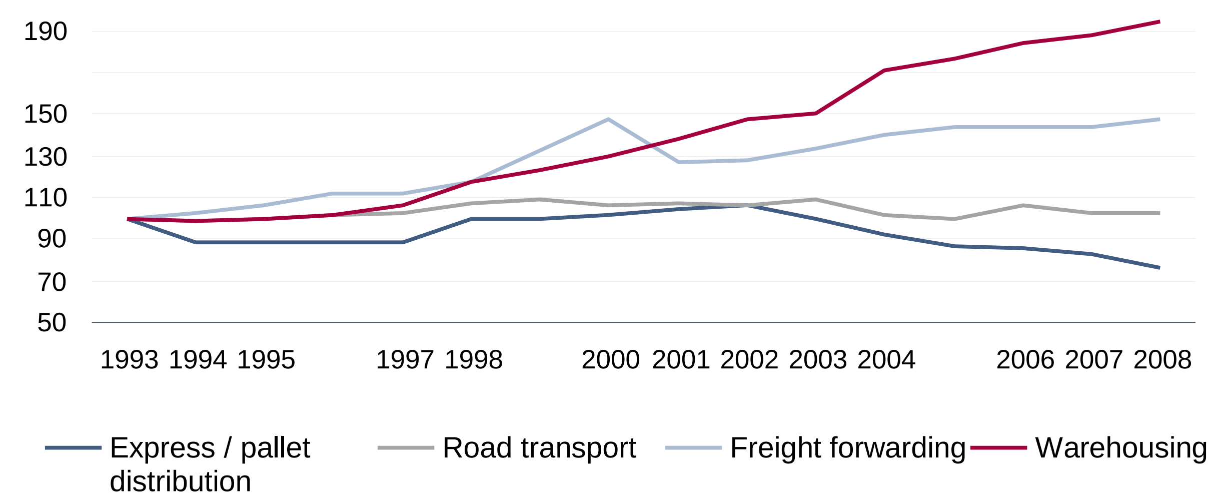
In addition, most shippers have implemented a policy of consolidating transportation and optimizing transport users and processes (e.g. aiming to fill trucks, use of combined transport, etc.).

This strategy is leading to two underlying trends:

- Gradual decline in shipments "per pallet" to the detriment of the major pallet distribution and pooling networks
- Growth in the number of consolidation warehouses that enable consolidation of transport and predominantly "full load" logistics, where a full truck (freight wagon, barge, etc.) leaves from a single point and delivers to a single customer, in contrast to palletized distribution or pooling, where a pallet reaches its destination after being transported in several vehicles across several pooling platforms.

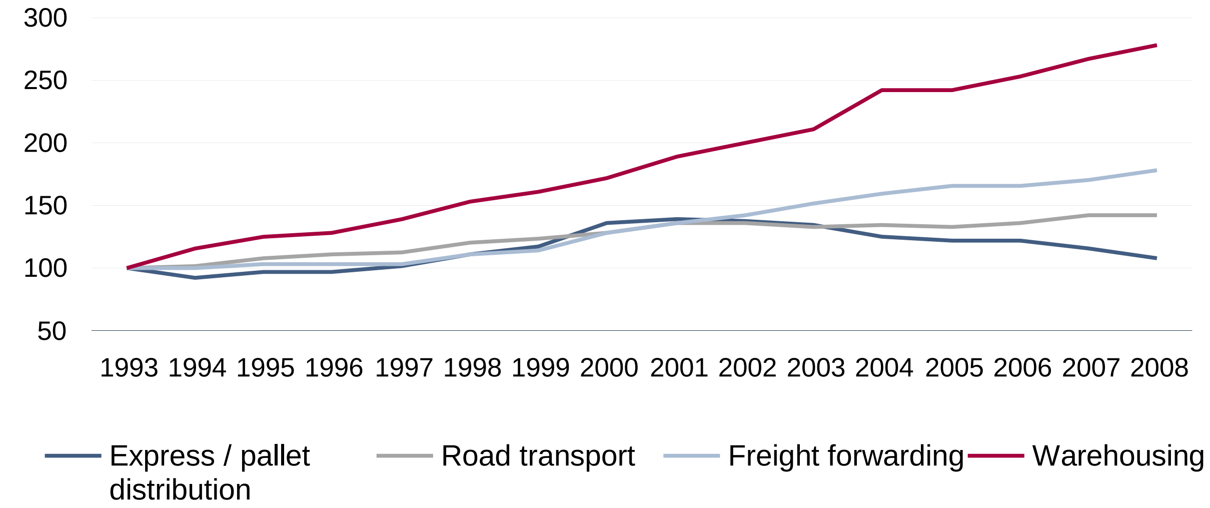
The graph below shows the development of contract logistics, involving an increasing number of warehouses and, as a corollary, the decline of traditional pallet distribution networks.

Change in the number of establishments in the four principal logistics businesses (index 100 in 1993)



Source: Xerfi

Change in headcount in the four principal logistics businesses (index 100 in 1993)



Source: Xerfi

- **Major shippers' sustainable development strategies bolster this trend**

The emergence of sustainable development issues has only accelerated this trend. Indeed companies' efforts to reduce their carbon footprint compel them to look for ways to step up transport consolidation.

These factors also reinforce the need to have global providers capable of measuring CO_2 emissions throughout the supply chain, of proposing sufficiently comprehensive action plans in order to reduce their impact and of proposing global supply chain optimization solutions (see Chapter 6.7 "Sustainable development and growth" of the Base Document).

6.2.5 Principal contract logistics companies in France

Customers tend to carry out part of their logistics operations internally and to diversify the outsourced part between different providers over the same geographical area. One logistics company may therefore be under several contracts for the same customer without being that customer's sole logistics provider.

Contract logistics services are delivered at domestic market level (no cross-border transport) and therefore markets are assessed on a country-by-country basis. With regard to the Group's competitors, in view of the importance of France for the Group's business (65% of 2010 revenues), ID Logistics has limited the following competitor overview to its primary geographical market. Moreover, the competition in the other countries in which the Group operates mainly consists of companies already present in France and/or local competitors.

The main players on the French market

The table below shows the revenues of the top 10 operators on the French market in 2010.

		2010 revenues – contract logistics France	**2010 revenues – Group total World**	**Comments**
GEODIS	GEODIS	€595 million	SNCF Group: €30,466 million	Fully consolidated into SNCF in 2008
KUEHNE+NAGEL	Kuehne et Nagel	n/a	€15,862 million	Main activity freight forwarding
NORBERT DENTRESSANGLE ND	Norbert Dentressangle	€504 million	€2,839 million	Transportation 55%, Logistics 45%, acquisition of TDG beg. of 2011
DHL	DHL	€400 million	Deutsche Post: €51,500 million	Leader in the sector
STEF-TFE	STEF TFE	€371 million	€2,057 million	Temperature controlled transport and logistics specialist in Europe

	Groupe Bolloré	n/a	€4,643 million	Forwarding agent, specializing in Africa
	FM Logistics	€291 million	€720 million	*Pure player*
	ID Logistics	€252 million	€386 million	*Pure player*
	GEFCO	n/a	€3,351 million + PSA	Wholly-owned subsidiary of PSA
	Wincanton	€170 million	€2,180 million	Transportation + Logistics, operating mainly in UK

Source: Supply Chain Magazine (May 2011), Gaullar News (May 2011), Company

Most logistics operators are large companies operating in several businesses (e.g. Kuehne et Nagel in freight forwarding, DHL Deutsche Post in mail, SNCF in rail transport, etc.) that have often acquired logistics companies in the context of their acquisition strategy.

While the number of pure players is limited, it is growing rapidly owing to their specialized nature and expertise.

ID Logistics is one of the top ten players in the industry with a market share in France of around 3.2%.

A strong consolidation trend over the past 10 years

Since 2001, the logistics market has undergone considerable consolidation, as market players have sought to expand their competencies and reach the critical mass required in order to offer a wide range of services and support their customers' international growth.

The table below summarizes the principal acquisitions since 2000:

Target	Buyer	Year
Danzas (Switzerland)	Deutsche Post (Germany)	2000
DHL (USA)	Deutsche Post (Germany)	2006
Exel Logistics (UK)	Deutsche Post (Germany)	2004
Tibbet and Britten (UK)	Exel Logistics (UK)	2002
Ocean Freight (UK)	Exel logistics (UK)	1998
Barlatier (France)	TNT Logistics (Netherlands)	2002

Transport Nicolas (France)	TNT Logistics (Netherlands)	2003
Stock Express (France)	Danzas (Switzerland)	1999
Giraud Logistics (France)	Wincanton (USA)	2005
Stockalliance (France)	Norbert Dentressangle (France)	2003
TNT Logistics (Netherlands)	Norbert Dentressangle (France)	2006
Christian Salvesen (UK)	Norbert Dentressangle (France)	2008
TDG (UK)	Norbert Dentressangle (France)	2011
Santos (Spain)	FCC Logistica (Spain)	2003
Hays Logistics (UK)	Kuehne et Nagel (Switzerland)	2006
Alloin (France)	Kuehne et Nagel (Switzerland)	2008

The arrival of Japanese (Nippon Express) and Chinese (Sinotrans) competitors is the result of those companies' strategy of supporting their domestic customers abroad. Their operating sites in Europe are confined mainly to import/export warehouses in the form of advanced spare part platforms. For this reason they are not in direct competition with ID Logistics.

6.2.6 Main logistics market trends in foreign countries where the Group operates

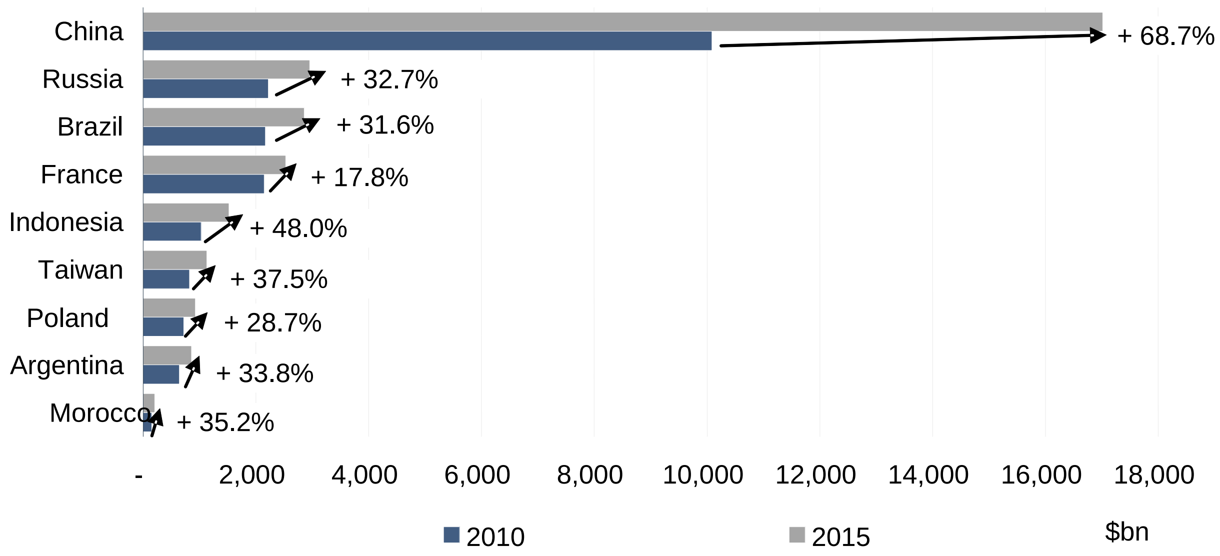
Outside France, the Group has chosen to support its customers in 10 countries or regions comprising Spain, Poland, Russia, China, Taiwan, Indonesia, Morocco, Indian Ocean, Brazil and Argentina.

These countries and regions are predominantly areas of rapid growth that are still behind more developed countries like France and Spain in terms of development. These macroeconomic factors are reflected in a tendency to develop innovative solutions more geared towards growth than towards the reorganization and reengineering of the logistics process.

The growth of the logistics market within emerging economies is inextricably linked to the increase in household consumption, creating the need to develop high quality logistics infrastructures for large retailers and manufacturers. Moreover, most of these countries have large growing populations representing major potential, in particular for the consumer goods sector.

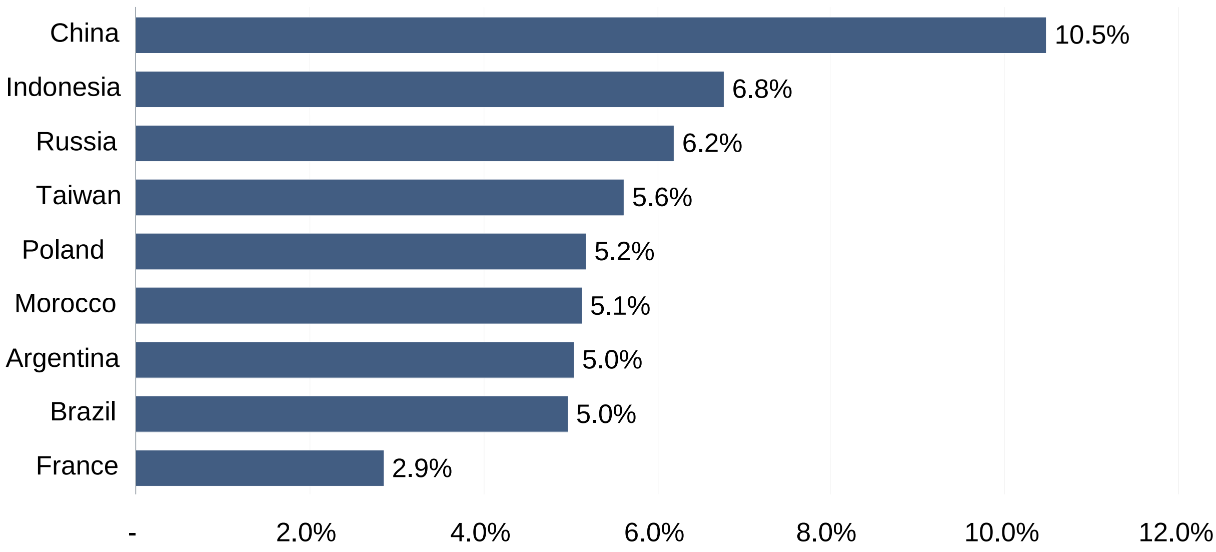
The graphs below show the macroeconomic factors that contribute to the growth of the logistics market.

Comparison of expected GDP* growth ($ billions) in countries where ID Logistics operates



Source: FMI
*N.B.: * GDP valued at purchasing power parity (PPP)*

Comparison of average annual GDP* growth rates per capita from 2010-2015e in countries where ID Logistics operates



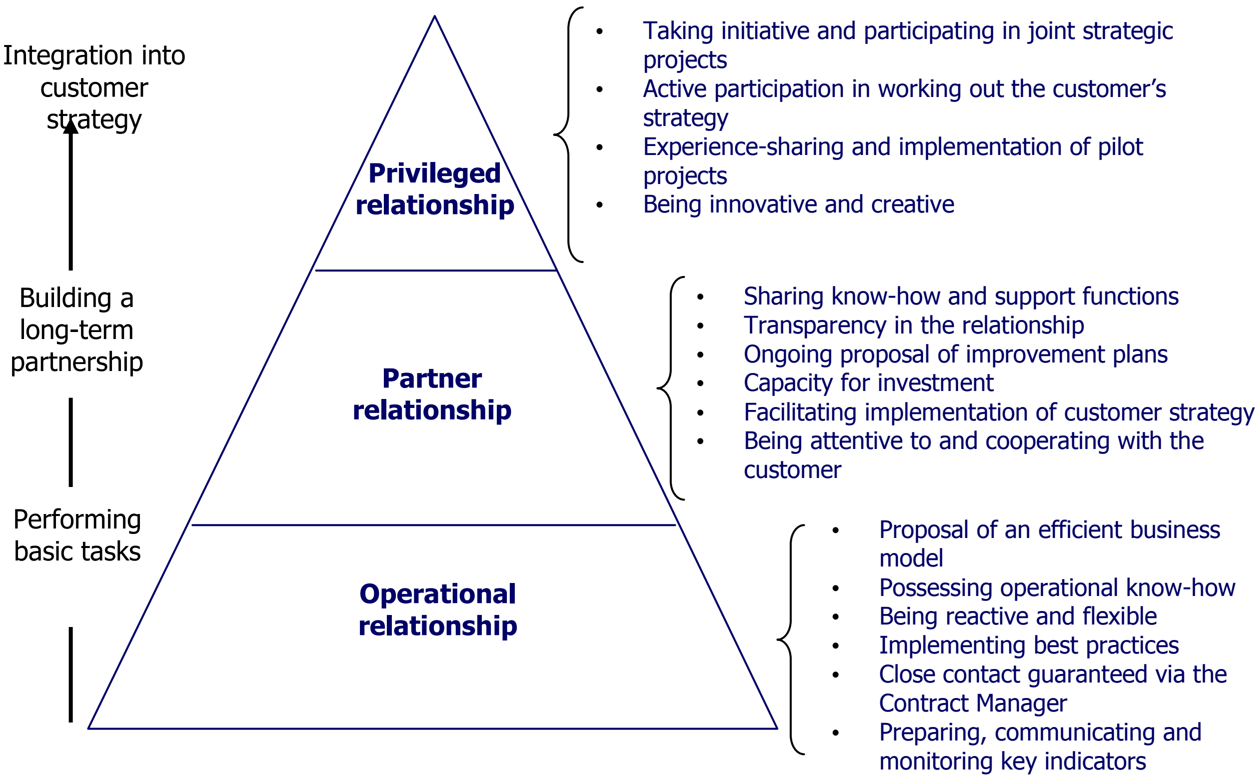
Source: FMI
*N.B.: * GDP valued at purchasing power parity (PPP)*

6.3 MARKET POSITIONING OF ID LOGISTICS

ID Logistics is a contract logistics pure player in France and abroad. The Group offers an integrated logistics solution including transportation, warehousing and value-added services, designed primarily for major corporate customers.

As a pure player since its incorporation and backed by ten years of experience, ID Logistics can offer not only individual logistics services but logistics solutions ranging from the performance of traditional logistics operations to the design of solutions that are integrated into the customer's strategy.

The various levels of customer relationship

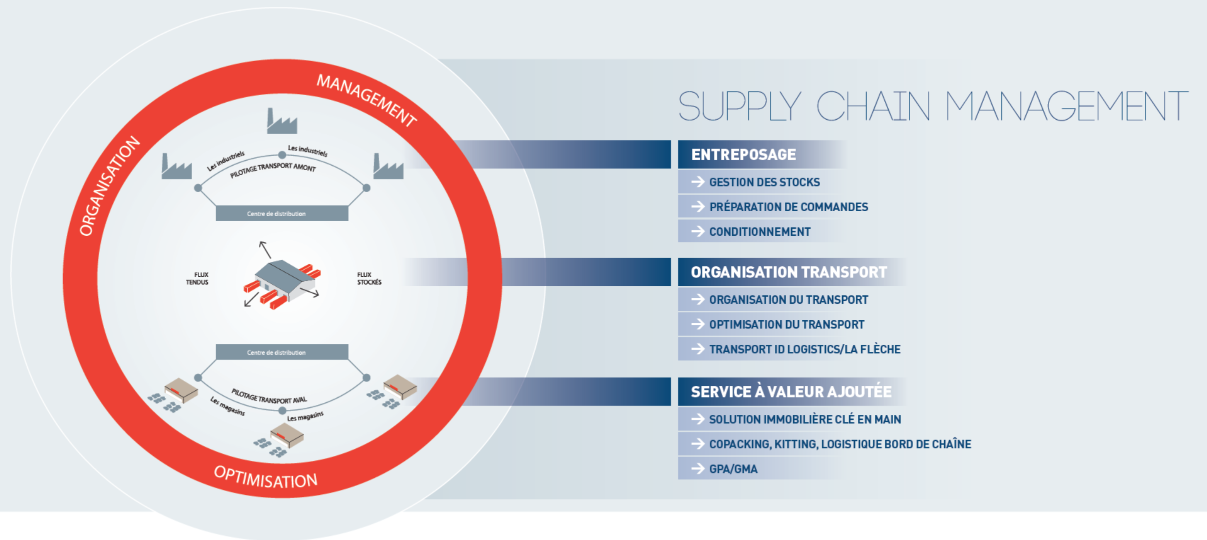


This positioning enables ID Logistics to place itself at the core of its customers' logistics strategy. This approach is particularly evident in the Group's ongoing commitment to innovation, constant search for financial and environmental optimization solutions, constant endeavor to improve its customers' flows, etc.

Thanks to this approach, the Group has established long-term relationships of trust with its customers, as borne out by the support which the Group has provided to those customers' international development (operating bases in 10 new countries since 2001).

6.3.1 Detailed presentation of ID Logistics' services

ID Logistics offers a wide range of logistics services to its customers, as illustrated by the diagram below:



Warehousing and value-added services

The ID Logistics offer meets the specific requirements of ambient and fresh produce logistics and those of e-commerce.

- Warehousing: use of a warehouse for the storage of goods
- Inventory management: real-time monitoring of inventory levels, turnover, sell-by dates, etc.
- Order picking: collection of products, packages or pallets in a warehouse for the preparation of an order to be delivered to a distribution center or point of sale
- Kitting: putting several items together to form a kit or pack
- Co-packing: packaging operation involving the grouping of parts into a batch (special offers, for example) or for shop displays
- Packaging (film packing, repackaging): preparation of a package in the desired packaging and containers
- Just-in-time line-side delivery, kanban management: supply of a minimum inventory of parts or work-in-progress alongside the assembly line, to be used and replenished based on production requirements. Kanban is one of the techniques of just-in-time procurement.
- Consolidation: flow management designed to optimize the loading ratio of the transport vehicle (truck, wagon, barge, etc.)
- Cross docking: organization of transport such that the goods are received from the suppliers and customer orders prepared and shipped on the same day, with zero storage time
- Multi-supplier consolidation: the sharing of a warehouse by several suppliers of the same customer. The goods remain the property of the suppliers, which are often too small to be able to deliver regularly to retailers at a competitive price. This type of storage guarantees the availability of products to the customer.
- Quality control: an operation designed to control the compliance of goods reception and shipment.

Transportation and flow organization

- Transport organization: on behalf of the customer, ID Logistics organizes and optimizes transport schedules and routes over a given geographical area; the customer maintains a direct contractual relationship with its carriers
- Transport order administration: administrative management of delivery orders, scheduling, organization of meetings, monitoring of disputes, etc.
- Routing plan optimization: regular proposals to reengineer routing plans in order to reduce costs
- Dedicated vehicle fleet: use of transport vehicles dedicated to the customer

- Combined transport: use of combined rail and road solutions
- Container tracking: real-time tracking of containers with a view to optimizing the customer's supply chain
- Dedicated management team: transport organization on behalf of the customer, including forwarding and contractual relations with the carriers designated by ID Logistics.

Supply chain optimization

- Customer-side installation of warehouse management software (WMS – Warehouse Management System) or ERP software interposed between commercial purchasing management and warehouse inventory management
- Proposed implementation of systems to enable real-time monitoring of supply chain flows
- Management of in/outbound warehouse flows: ID Logistics manages and optimizes inbound and outbound flows at the customer's warehouses, irrespective of whether or not the warehouse is managed by ID Logistics
- Organization of meetings: ID Logistics manages and optimizes its customer's meetings with carriers concerning deliveries and dispatches to and from the warehouse
- Back-up plan: ID Logistics designs and manages back-up plans for its customers in order to ensure ongoing delivery to their points of sale even if one or more of their sites are not in operation due to fire, adverse weather conditions, strikes, etc.
- Project management: ID Logistics participates in the design and implementation of all types of projects related to its customers' supply chains in France and abroad (e.g. prospecting, impact studies, solution consulting, etc.)

Turnkey project delivery

- Determination of the optimum customer site location on the basis of barycentric calculations, making allowance for the customer's inbound and outbound transportation constraints
- Identification and purchase of land
- Preparation of storage plans according to customer specifications
- Relations with local authorities and obtaining the necessary permits and authorizations
- Optimum integration within the environment and construction in accordance with the French High Quality Environment (HQE) standard
- Construction monitoring until handover.

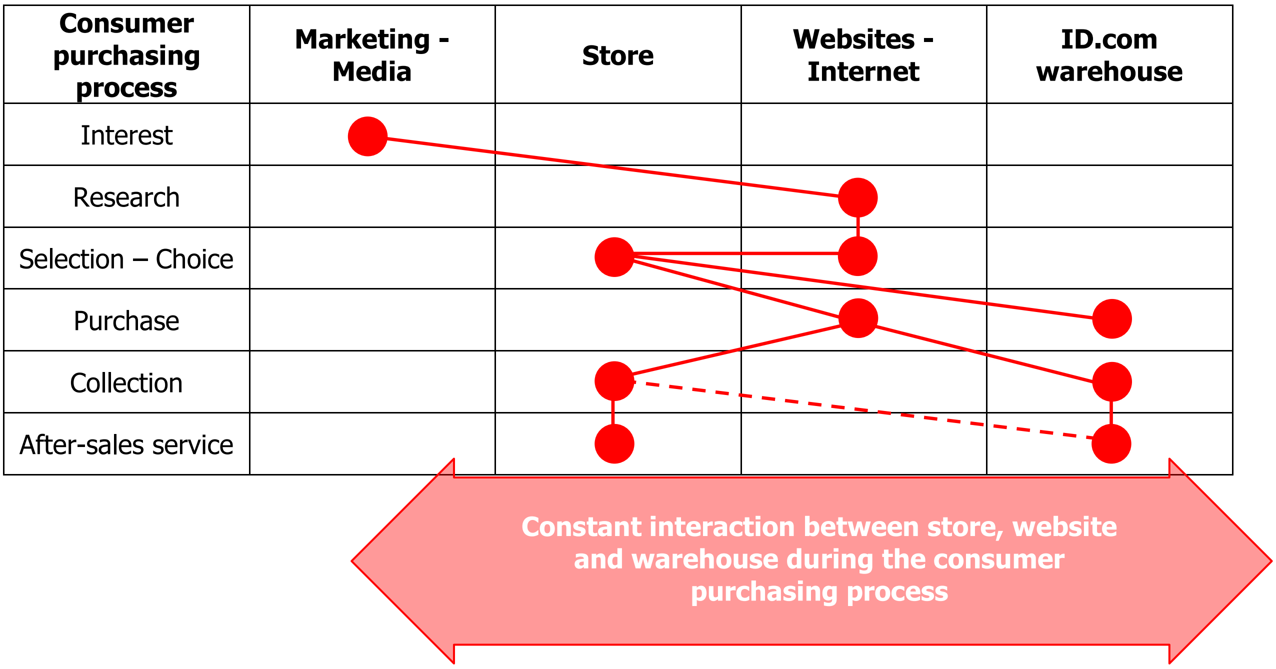
E-commerce

The Group has implemented special tools designed to deal with specific issues related to e-commerce:

- Choice of a specific information system: the Group has decided not to resort to the usual systems but to acquire a customized information system suitable for this type of process;
- Appropriate real estate solutions allowing a large degree of flexibility and sharing of e-commerce operations;
- Partnerships with express and pallet distribution networks in order to provide a global offer to the customer.

The Group has acquired particular expertise in this business and applies it in all countries where it operates.

Changing consumer habits: emergence of cross-channel shopping



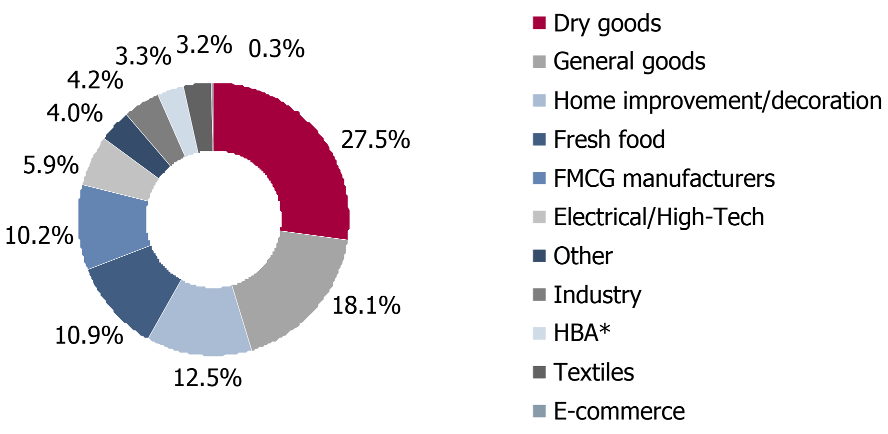
The emergence of e-commerce requires logistics providers to manage more complicated flows. Indeed, a logistics provider must have the requisite systems allowing it to receive a purchase order for a product stored in one of its warehouses and viewed and purchased online by the customer and to send the product directly to the customer from the warehouse or make it rapidly available at a retail outlet for collection by the customer.

As of the Base Document Date, the Group operates in the e-commerce market only for retailers also operating traditional retail outlets. The Group does not work with pure e-commerce retailers, which by strategic decision very rarely outsource their logistics requirements.

6.3.2 Market typology

ID Logistics operates across a wide range of market types: supermarkets, specialized retailers and consumer goods producers.

The pie chart below shows the breakdown of 2010 Group consolidated revenues by service:



** HBA: Health, Beauty & Accessories*

Dry goods (27 contracts spread over all Group countries)

- **Typology**: Mainly large general retailers

- **Customer requirements**: In view of the surge in the number of food product references, major retailers have adopted the policy of drastically reducing their inventory levels to achieve an average close to 10 days per warehouse.
  Several years ago the sector entered a new phase, consisting of further acceleration of flows due to the transformation of warehouses into cross docking platforms. This new strategy has forced industrial suppliers to adapt their mode of delivery to the new system. Logistics has become a key competitive factor for retail chains that need to ensure constant availability of products at minimum cost.

- **ID Logistics' response:** With 27 contracts accounting for approximately 28% of its revenues, the Group is one of the European leaders in the dry goods logistics sector.

  Since inception, ID Logistics has focused on new technologies and innovation in the management of this type of contract. With *Voice-Picking* deployed in all countries for all dry goods contracts since 2004 and the mechanization of cross docking centers since 2006, the Group has become the benchmark in the field. The launch of the *Pick and Go* truck at the end of 2010 consolidated the Group's lead over its main competitors.

Non-food or general goods (15 contracts in France, Spain, Poland, Taiwan, and Brazil)

- **Customer typology**: The customers operate in the general or specialized retail sectors, selling a variety of non-food and non-perishable products such as general goods, furniture, kitchen equipment, etc.

- **Customer requirements:** These products are generally imported in mass quantities and require special inventory logistics designed to cope with a wide variety of product types. In addition, updates to the product range entail frequent promotional campaigns. Adapting the logistics service to major seasonal differences is of particular importance.

- **ID Logistics' response:** The ability to respond to major seasonal differences requires genuine flexibility on the part of the logistics operator. Such flexibility is one of the mainstays of the ID Logistics model and is reflected in the management style of its teams as well as in the technologies applied, especially in the installation of a mechanized breaking chain.

Finally, these types of goods require additional services, such as home delivery, which are currently under development.

Home improvement products/decoration (18 contracts in France, Brazil, Russia and Poland)

- **Typology**: The products concerned are extremely varied in terms of size and weight, and include tools, tiling and garden houses. They are distributed by specialized retail chains.

- **Customer requirements**: The wide variety of products and the seasonal character of the associated activities mean that constant attention must be paid to optimizing asset utilization. The occupancy rate of logistics sites and the vehicle loading ratio are two major economic factors for customers.

- **ID Logistics' response:** This involves very detailed analysis of forecasting data in a constant endeavor to optimize storage consolidation and the search for additional counterflow customers. High-technology tools are deployed principally for container unloading and the ergonomic management of heavy products (tiling). The Group's transport organization (loading ratio, optimization of dedicated fleet, etc.) is a major asset in relation to this type of contract.

Fresh produce (9 contracts in France, Spain, Brazil and Indonesia)

- **Typology:** ID Logistics manages chilled temperature controlled logistics contracts for retail and manufacturing customers. These contracts are generally managed with tight flows and the corresponding logistical organization.

- **Customer requirements**: These customers demand complete mastery of the cold chain and high quality logistics services.

- **ID Logistics' response:** The Group possesses a high degree of expertise in this field, which it has exploited in setting up pilot schemes for mechanization, information systems or voice picking. It is necessary to manage rapid flows that vary considerably from week to week.

  Finally, the Group's transport organization expertise is particularly suited to this type of activity, which is heavily dependent on excellent inbound flow coordination.

  The Group identifies this field as an area of strong potential growth, especially in high growth countries.

FMCG industry (33 contracts, all countries)

- **Customer typology**: Manufacturers and suppliers for general or specialized large retailers.

- **Customer requirements**: Manufacturers are looking for a logistics service that can support them through the organizational changes required by large retailers. Inventory reduction increases the frequency of deliveries. Customer expectations relate to the picking process and to the organization of the associated transport.

- **ID Logistics' response:** FMCG industry logistics, which has been a driver of strategic growth for ID Logistics since 2007, includes the following specific features:
  - Global supply chain management through a series of indicators that integrate the organization of outbound transportation in a highly systematic way

  - Constant efforts to optimize users and processes, in particular through sharing arrangements between several customers. ID Logistics has thus pioneered the launch of supplier consolidation centers and the creation of a shared distribution center (*entrepôt mutualisé de consolidation aval* - EMCA)
  - The most stringent safety precautions concerning both products and staff
  - Finally, systematic integration of the customer's sustainable development strategy into supply chain management, in particular in the measurement of and commitment to reduce the carbon footprint.

High-tech electrical products (8 contracts in France and Brazil)

- **Customer typology**: Retail chains specializing in the distribution of hi-fi and high tech products.

- **Customer requirements**: High-value products, heterogeneous in terms of volume (ranging from cameras to refrigerators), large seasonal differences, mostly derived from mass importation, requiring high-precision logistics owing to the nature of the product. Inventory management is the key component of the logistics service.

- **ID Logistics' response:** With a strong presence in this relatively competitive sector, the Group has placed a major priority on safety in terms of equipment and control procedures in this type of contract. This safety procedure is also applied in the installation of a mechanized chain equipped with weight control devices in order to limit the risk of error or theft.

Industry (9 contracts in France, Spain and Brazil)

- **Typology**: This includes the automotive industry, paint manufacture, chemicals and drinking glass manufacture.

- **Customer requirements**: Despite the huge variety of customers, each one requires good understanding of its specific features, with particular emphasis on safety and compliance with regulations.

- **ID Logistics' response**: This is based on several principles:
  - Extensive employee support in relation to staff outsourcing, if applicable
  - Analysis and strict compliance with regulations, particularly in respect of the construction of turnkey depots for toxic materials
  - Specific software systems, in particular those employed in the real time management of contracts that require direct line-side deliveries.

Textiles (3 contracts in France and Spain)

- **Customer typology**: Distributors specializing in clothing and accessories

- **Customer requirements**: Textile logistics is a particularly demanding field, involving major seasonal differences, the success or failure of collections, issues related to the transportation of clothing flat or on hangers and mass importation.

- **ID Logistics' response:** Having recently (2009) entered this high potential sector, ID Logistics has successfully managed two sites rendered particularly complex owing to the combination of distribution for sale and resupply. The use of cutting-edge mechanized processes has enabled the site to cope with activity peaks with remarkable efficiency. This is a potential area of major growth for the Group.

Fragrances (3 contracts in France and Brazil)

- **Typology**: This comprises distribution of fragrances by general and specialized retailers.

- **Customer requirements**: A high precision field, perfume logistics requires extensive knowledge of order picking control and optimization of transport systems. Specialized distributors are extremely sensitive to sustainable development issues.

- **ID Logistics' response:** Having entered this sector in 2010, the Group focused on mastering the retail order picking process in order to win its first contracts. Its knowledge of mechanized processes and of the specific issues related to toxic materials allowed it to gain new contracts. Customers in this sector are particularly suited to the Group's geographical positioning, particularly in Asia and Brazil.

E-commerce (5 contracts in France and Brazil)

- **Typology**: Mostly "cross-channel" websites developed by retail customers in addition to their bricks-and-mortar sales outlets.
-
- **Customer requirements:** E-commerce has become a major issue for all retail customers. It is seen as a growth sector that is complementary to their traditional offer. Major customers are looking for specific logistics adapted to the e-commerce sector and synergies between this and their traditional logistics arrangements.

- **ID Logistics' response:** A strategic factor since 2010, e-commerce is now part of an offer that corresponds closely to customers' requirements. This offer allowed the Group to sign 4 major contracts at the beginning of 2011 on the basis of a new organization and information system.

6.3.3 Global monitoring of key accounts

Top-ranking customers consisting of leading French companies and major multinational groups

Historically, the Group has built its development around major French-based multinationals and has proved its ability to support them in the long term and in their advanced foreign markets in South America and Asia. ID Logistics has been able to reinforce its historical relationships with its principal customers and to adapt to their changing needs, in particular by offering continuous improvement schemes and developing innovative solutions.

On the back of its operational successes with its long-term customers, the Group has expanded and diversified its customer portfolio by supporting the major French retail groups and large manufacturing groups in their foreign operations in regions with high growth potential (i.e. emerging countries).
With very few exceptions, all Group customers are leading players in their respective industries and are present in Europe and worldwide.

The Group's goal is to support these customers' growth in France and abroad while adapting to their changing strategies.

Principal Group customers

Large retailers				Manufacturers		
General retailers	DIY Decoration	Household equipment	Other specialized retailers	Food industry	Non-food	Fresh produce
Auchan	Brico Marché	Alinéa	Decathlon	AmBev	PPG	Auchan
Groupe Casino	Bricoman	boulanger	Kiabi	Heineken	Total	Bonduelle
E.Leclerc	castorama	Conforama	La Grande Récré	Heinz	Chevron	pomona
groupe carrefour	Weldom	fnac	Norauto	PepsiCo	Ripolin	Lindt
Leader Price	Point.P Matériaux de Construction			Kraft	Kimberly-Clark	Danone
U	Leroy Merlin			HiPP		Dole
les Mousquetaires				Lesieur		Senoble
Label'Vie Supermarchés				harry's		
M						
Netto						

Support for customers' foreign operations

The Group has chosen to support its customers in their foreign operations, as shown in the table below:

Contracts with customers present in	1 country	2 countries	> 2 countries	Total
Dry goods	1	11	15	27
Non-food	4	4	7	15
DIY/decoration	12	1	5	18
Fresh produce	3	4	2	9
FMCG industry	9	7	17	33
Electrical/hi-fi	8	-	-	8
Sundry industrial	8	1	-	9
Textiles	3	-	-	3
Fragrances	1	1	1	3
E-commerce	3	2	-	5
	54	**29**	**47**	**130**

- 54 contracts (42%) concern customers who have so far remained with one sole subsidiary of ID Logistics;
- 29 contracts (22%) concern customers served in two countries in which ID Logistics operates;
- 47 contracts (36%) concern customers served in more than two countries in which ID Logistics operates.

58% of foreign contracts are the result of the Group's strategy of supporting customers in their international growth. This percentage proves the Group's ability to create relationships of trust and corroborates its strategy of long-term support for customers.

The process of supporting customers in their foreign operations generally starts with an upgrade of operational processes prior to the installation of the technology currently used on the customer's sites in France. During this upgrading process, the revenues per employee (permanent and temporary), converted into euros, is generally lower than the equivalent figure applicable to the French sites.

6.3.4 Relationships established with customers on a contractual, transparent and long-term basis

Contract logistics is based on systematic contractual formalization and the allocation of appropriate dedicated assets.

Systematic contractual formalization

After the tender procedure that is carried out almost systematically by shippers, ID Logistics signs a formal contract with the customer for each project it performs. This includes:

- The operating specifications, which describe the entire service and assets to be provided by the Group

- The quality specifications, which describe the quality commitments undertaken and how they are measured (e.g. KPI, etc.)
- The contract, which specifies payment arrangements, liability, the duration of the contract, renewal clauses, etc.

ID Logistics applies a rule whereby it does not enter into a new contract without prior clarification of all aforementioned items with the customer.

Invoicing system determined when contract is signed

All contracts are subject to different pricing terms and conditions (e.g. indices or volumes) that are a function of commercial negotiations. In general, revenues are generated as follows: the customer is invoiced based on specifications (e.g. full pallet, preparation of special packages, etc.) and quantity of packages prepared. The Group's revenues therefore depend mainly on volumes handled and are relatively immune to changes in the economic climate (see subsection 6.2.4 "Sensitivity to the state of the economy and consumer trends").

While the Group's revenues are not subject to major seasonal fluctuations, second-half revenues tend to be slightly higher than first-half revenues, in view of the breakdown of customers and their growth profile.
However, compared to the second half, the first half tends to see larger swings in volumes handled between activity peaks and lows. This volatility is reflected in lower operational productivity and first-half operating income is generally lower than in the second half.
This feature of the ID Logistics' business, which is also experienced by some competitors, is entirely factored into its operating procedures and financial management and does not constitute a risk as such.

Assets assigned to each contract

For each contract, ID Logistics provides an appropriate solution designed to meet the specific requirements of each customer, including the following services in particular:

- Dedicated or shared warehouses, equipment, vehicles etc. This policy, known as "asset light", allows the Group to minimize the risk of unoccupied surfaces.

- The table below shows the type of commitments undertaken by the Group in relation to its real estate sites:

Ownership/finance lease	ID Logistics real estate lease	Provided by the customer	On-site operation (usually in plant)	Total
3	42	33	13	91

- Highly advanced information systems (see Chapter 6.4).
- A system for measuring performance and action plans.
- Specifically trained teams assigned to the operation.

As of the Base Document Date, customer recharging procedures are applied at all warehouses under the Group's management.

An ultra-flexible business model

ID Logistics has traditionally pursued its development according to a model based on flexibility and adaptability. This approach has enabled the Group to offer its customers bespoke solutions, without having to rely solely on its own assets and avoiding the risks associated with the acquisition of a large amount of property, plant and equipment. It is particularly suited to the present economic climate, as it allows the Group to adapt to medium and long-term consumer trends and to the world economic situation.

The Group has therefore chosen not to acquire its own real estate, with the exception of the warehouse at Brebières and two other small warehouses. With each new contract, the Group is able to offer real estate solutions that satisfy customer requirements: leasing (takeover of the existing warehouse or search for a new location), use of the customer warehouse, construction, etc. In the case of leasing, the term of the lease corresponds to that of the customer's contractual undertaking.

In terms of human resources, the Group assigns a training and management team to each contract and determines the staffing requirements in accordance with the specific features of each site. Seasonal effects and activity peaks are absorbed by the use of temporary workers without impacting the ongoing cost structure. The Group works together with the main temporary employment agencies.

In addition, the equipment required for operating the warehouses (e.g. trolleys, forklifts, etc.) are generally leased for the duration of the contract.

Genuine transparency with each customer

The customer partnership approach developed by ID Logistics is based on transparency.

This transparency is reflected in the practice of notifying the customer of all assets deployed and costs incurred in order to guarantee the proper performance of the contract. ID Logistics' operating margin is thus calculated on a clear and shared basis.

However, this transparent approach does not necessarily involve invoicing based on "cost + margin", a practice which, although common in Anglo-Saxon countries, is relatively rare in the countries in which ID Logistics operates.

Every year, ID Logistics reviews price developments and the improvement procedures it undertakes with its customers. ID Logistics' philosophy of long-term customer support is embodied in the form of improvement plans designed to ensure the continuous improvement of logistics operation performance (reducing the overall cost for the customer while optimizing the level of service). The benefits of these improvement plans are shared in a transparent manner between ID Logistics and its customers.

Long-term support

The legal term of a contract depends mainly on the value of the investments required or on other more specific elements, such as the takeover of staff in the context of outsourcing. The term varies between 3 and 10 years. Once the initial contractual term is completed, contracts are renewed on a regular basis.

Since inception, ID Logistics has lost only five contracts, three of which were lost due to customer internal restructuring, one due to the building's unsuitability for toxic materials and one due to price issues. Historically, almost all contracts have been renewed.

If the logistics provider is able to establish a strong relationship with its customer based on transparency and real exchange, contract renewal is frequent, as the costs and the risks of changing provider are deemed to be considerable.

6.4 COMPETITIVE ADVANTAGES

Owing to its market positioning, ID Logistics has developed skills and competencies that make it stand out from its main competitors. The Group has set up a specific organizational system in order to optimize its response to customer expectations, by offering innovative, flexible, value-added and environmentally friendly solutions.

6.4.1 ID Logistics: customer-focused organization

Going beyond the mere provision of traditional logistics services, ID Logistics aims to penetrate to the core of its customers' logistics strategy. It seeks to achieve this, first and foremost, by constantly striving for innovation, seeking ways of improving financial and environmental performance and implementing procedures to ensure continuous improvement of customer flows.
To fulfill these objectives, the Group has set up an organizational system that focuses sharply on the customer relationship and on understanding customers' current and future challenges and needs.

An illustration of this strategy is the creation of the post of Contract Manager, who represents the customer's point of contact with ID Logistics. This function has been set up in all countries in which the Group operates.

Without having to report back to the operations department, the Contract Manager reports directly to the managing director of each subsidiary. He or she plays the role of coordinator (checking compliance with Group commitments) and developer (anticipation and planning of customer flow improvements, etc.).

As of the Base Document Date, ID Logistics has 18 Contract Managers, four of whom manage customers established in several countries.

The role of the Contract Manager

The Contract Manager is in charge of the entire customer relationship. He is responsible for managing the contract, and has the following duties in particular:

- Ensuring that contracts and specifications schedules are signed and up to date;
- Measuring the levels of risk provided for in the contracts;
- Negotiating contract renewal.

The Contract Manager ensures that the service offered to the customer and the related operations are in accordance with the contract and the defined targets. In this respect, he should in particular:

- Organize monthly operating performance meetings and circulate the results of those meetings;
- Ensure that the level of service complies with the quality specifications and/or the customers' expectations;
- If necessary, define action plans to raise the service quality of a site to the required level (in cooperation with the operations department);
- Define annual action plans in order to align service level with contractual commitments (in cooperation with the operations department).

The Contract Manager is responsible for business development and for the partnership. His remit is as follows:

- Organize quarterly or half-yearly strategic alignment meetings between ID Logistics and the customer;
- Manage the various stages of the annual customer satisfaction questionnaires (message to the customer, collection and analysis of responses, definition and presentation of action plans);
- Identify new business opportunities with existing customers;
- Develop new value-added services allowing ID Logistics to enlarge the scope of its offer within an existing customer partnership;
- Propose 2 or 3 continuous improvement measures or cost-saving schemes per year (in cooperation with operations).

Above all, he must:

- Establish a special partner relationship with the customer, based on taking an active part in joint projects;
- Be an active partner in developing the customer's strategy;
- Share experience and launch pilot projects;
- Propose innovations.

6.4.2 ID Logistics: the ability to offer a consistently excellent operational standard throughout the world

ID Logistics guarantees its customers a consistent and high-level operating quality all over the world.

To achieve this goal, in 2009 ID Logistics launched an original scheme for the certification of best practices, an internal scheme entitled "CID", which has been gradually rolled out to all Group entities.

The scheme is managed by operations in each country.

The scheme: internal certification of best practices

The reason for certifying ID Logistics sites with reference to an internal benchmark is to ensure that all Group sites implement a "best practices" procedure as effectively as possible, within a controlled timeframe and on a permanent basis, the objective being to ensure business continuity and limit the risks for the customer, especially during the start-up phase.

The benchmark relates to internal site operations and complements customers' professional benchmarks in this respect.

In addition, the use of a certification allows the company to publish information on its ability to master the expertise required in order to provide top-quality service.

The purpose of the scheme

ID Logistics decided to set up this certification procedure for the following reasons:

- The scheme is suited to a model of strong, decentralized growth. It enables new sites to be brought into line as quickly as possible and ensures real standardization;
- Defining operating practices means that simple, effective and relevant practices understood by all can be implemented, which maximize efficiency;
- The certification is wholly in line with corporate values: Enterprise, Rigor, Excellence, Solidarity;
- It is complementary to the procedures set up by the customer, i.e. the customer benchmarks specifying the target, the ID Logistics benchmark and the means by which to achieve it.

The 19 "best practices" selected to date

To ensure that the certification is enforced by all employees on all Group sites throughout the world, the Group has defined three best practice categories:

- 8 "best practices" relating to management
- 9 "best practices" relating to site operations
- 2 "best practices" relating to reporting and the communication of information to customers.

The benchmark is updated every year, when new practices are ratified and practices deemed to have been generally adopted are deleted.

Checks and controls

- **Internal audits**

The internal audits, which are carried out 50% by external auditors and 50% by company employees, are designed to control the benchmark commitments.
Each warehouse prepares a schedule of internal audits. The schedule takes into account the state and size of the areas being audited as well as the results of previous audits.
Sites are audited once a year, and the resulting action plans are recorded on the CID website.

- **Management review**

The purpose of the management review is to examine all data that gives an indication of a site's performance on the basis of the analysis of indicators, internal and external audits, significant non-compliance points arising during the relevant period and customer feedback. The purpose of the review is also to define immediate steps to be taken to correct the weaknesses detected.

The management review is organized on an annual basis by the site manager with his/her superior and immediate colleagues.

- **Administration of improvements**

In accordance with the recommendations made by internal, external and customer audits, immediate corrective measures are incorporated into action plans, which are regularly monitored on the CID website.

Role of the certification committee

The certification committee comprises representatives from five of ID Logistics' largest customers.

The committee meets twice a year in order to issue certificates of compliance to audited sites. It approves developments in the selected "best practices". It acts as a discussion forum on the "best practices" certification procedure and promotes its integration with customer procedures.

A future "best practice": lean management

Lean management is a management technique that consists in limiting or eliminating any loss of income from unprofitable operations or assets, or loss (waste) for example due to superfluous tasks, waiting time, unnecessary movements, etc. In 2011, ID Logistics introduced lean management on a pilot site in the south of France, with the active involvement of the customer.

As a result, the following projects were launched on the site in question:
- Workshops established;
- Identification of actions to be taken;
- Calculation of expected benefits;
- Preparation of a "lean box" to facilitate deployment on other sites;
- Methodology for communicating to and involving operational staff in the scheme.

After approval by the certification committee, the scheme will be incorporated into the "best practices" benchmark.

6.4.3 ID Logistics: an innovation-driven culture

Since inception, the Group has focused on technological innovation in order to offer customers solutions that combine service quality and productivity and to ensure its own employees the most ergonomic working conditions possible.

As a pioneer, the Group has always been able to anticipate technological advances and thus improve productivity and quality. This approach has enabled it to win new customers as well as retain existing ones.

This innovation culture is supported by the Group's R&D department, staffed by 15 technicians who add a new technological perspective to each commercial offer or reengineering request.

This approach is illustrated by the following examples:

Universal application of Voice Picking and Radio Frequency since 2004

Since 2004, the Group has carried out a policy of systematically installing technology solutions in such a way as to virtually eliminate the use of paper documents in warehouses.

These solutions ensure that picking operators, who receive and validate picking orders by means of a voice system, benefit from more ergonomic postures and movements during their work, as well as improving the reliability of the processes themselves.

At present, all sites where this technology is appropriate have been equipped accordingly: roughly 40 sites worldwide are concerned.

Development of TMS and the web portal since 2006

Since 2006 the Group has invested in the installation of Transport Management Systems (TMS) and in the development of the web portal, mainly so that it can offer FMCG manufacturers a global solution that focuses on transportation.

The diagram below illustrates the principal functions of these tools:

These tools have enabled ID Logistics to provide customers with a solution that fully integrates the organization of transport into their supply chain. Consequently, the information system provides complete visibility of the flow of goods from the warehouse to the end customer, allowing the customer to improve its flow management.

ID Logistics has placed particular emphasis on the interface tools between the TMS software and its users, especially via the web portals, which give customers access to the information system via a personalized page.

In addition, WEB EDI technology, which is available to all carriers regardless of size, ensures good quality information feedback, whereas in the past traditional EDI software was reserved for major carriers only owing to the cost of software development.

At present, the Group is managing a dozen transport organization units based on this model in France, Spain, Poland, Brazil, China and Taiwan. These technologies are currently being installed with new customers.

Partial or complete mechanization since 2007

Faced with an increase in tight flow contracts requiring an accelerated flow management capable of dealing with major activity peaks, in 2007 the Group initiated a policy of partial or total mechanization on dedicated sites.

This policy generally involves the installation of high-frequency sorting or mini-load systems equipped with laser barcode readers and weight controlling devices.

The Group has also introduced an RFID (Radio Frequency Identification) container management system for an agro-food industry customer.

These investments are depreciated over the duration of the contract. They enable major improvements in productivity and quality to be made when the right conditions in terms of volume and contract type are achieved.

At present, the Group managed 8 customer-dedicated mechanized warehouses.

Launch of the "Pick and Go" truck at the end of 2010

Since the beginning of 2011, ID Logistics has employed the new PICK-N-GO® system, designed by BT, on its French sites (see photos below).

The *Pick and Go* truck represents a major improvement in working conditions and in the performance of picking operators.

- **More ergonomic conditions for picking operators**

ID Logistics is thus committed to reducing the incidence of musculoskeletal disorders suffered by its picking operators.

Unique in France, the PICK-N-GO® system combines four technologies: the classic picking truck, a voice-operated/radio frequency system, a WMS and a laser guiding system operated by means of terminals situated in the warehouse.

This solution allows ID Logistics to fulfill three objectives:

- Optimize the ergonomic conditions of the job of picking operator and reduce the number of back, foot and ankle injuries by 40%;
- Improve safety conditions inside the warehouse;
- Increase productivity.

- **An innovation to benefit people**

Innovative and user-friendly, the PICK-N-GO® truck can perform the following tasks in complete autonomy:

- Collect an empty pallet and return to the picking area;
- Move immediately to the correct collection point and work in advance of the picking operator in the preparation of the order with the aid of the voice command system;
- Move automatically, avoiding the need for the picking operator to get on and off the truck each time they move to a different part of the storage area;
- Automatically raise or lower the forks to position the pallet at a convenient height for the operator to load the collected item;
- Transfer the prepared pallet to the automatic film-packing area, thus limiting the risk of collisions occurring in the circulation lanes.

Optimum order picking quality is ensured, while minimizing collection errors.

Downtime tasks such as collecting empty pallets, moving, placing the ready pallet in the bay, can be carried out in the background by the PICK-N-GO®, leaving the picking operator free to concentrate on the picking operation and leading to a direct productivity gain in the order of 25%.

- **"Sustainable development" truly integrated into the project**

The introduction of PICK-N-GO® trucks has allowed the Group to:

- Reduce industrial accidents by 40%, particularly back, foot and ankle injuries;
- Optimize truck movements and thus reduce electricity consumption by 7%, prolong battery life and reduce waste;
- Reduce plastic film consumption by 15% by linking the Pick-N-Go to an automatic film packing machine.

6.4.4 ID Logistics: mastery of structural information systems

In a complex operational environment, the information system is growing in importance as a key competitive asset. Information systems contribute directly towards implementing best practices, ensuring proper communication between the various internal and external people involved and ensuring rapid access to structured, reliable information.

The main challenge is to ensure that information systems meet the various industries' requirements. This technology allows those industries to improve performance and optimize reliability.

Through its global expertise, ID Logistics develops bespoke technologies designed to ensure the ongoing optimization of customer solutions.

IT development expertise

ID Logistics designs and creates the best possible technical solutions in order to meet the needs of its customers: optimization of resources and processes, management of technology and compliance with the budget.

The collaborative web portals developed by the Group, particularly for the purposes of flow management, are just one example of the Group's ability to innovate and create new systems designed to enhance its customers' performance.

IT operational expertise

ID Logistics' engineering teams are involved in the whole process of implementing new contract logistics solutions for customers, from solution design through to start-up, continuing to support the customer thereafter by means of follow-up audits.

ID Logistics is able to manage, develop, configure and ensure the complete adaptation of information systems to the specific features of the customer's logistical flows and the parties involved in its supply chain. To this end, ID Logistics has acquired genuine know-how concerning the type of information system required to manage warehouses and distribution. The professional software programs employed are known as Warehouse Management System (WMS) and Transport Management System (TMS).
The Group makes use of different commercial software packages for this purpose (in particular Infolog GE by Generix, Reflex by Hardis and Manhattan), which are specially configured to fit the solution offered to the customer. Over the last ten years, ID Logistics has shown ample proof of its ability to deploy these solutions in France and abroad, fully respecting any localization issues in foreign countries.

IT network and infrastructure expertise

ID Logistics uses leading network infrastructure suppliers to support its IT architecture, which, like the specific logistics applications, are fully duplicated and backed up in real time via secure data centers using technology recently developed by VMware, Microsoft, Oracle and Orange Business Services for the WAN part of the network.

All of this expertise is put into practice by some fifty technicians worldwide working closely with key partners such as Motorola, PsionTeklogix, Cisco and IBM in order to take advantage of the latest innovations in the relevant domains.

Evolution of Information Systems

For its Information Systems, ID Logistics applies the guiding principle of proximity between customers, businesses and solution supplying partners.

Strategies adopted now must meet future customer requirements. The new challenges for modern information systems in the global context consist of collaborative systems, decision support through data analysis, flexibility in changing the logistics model and, above all, integrated management of different supply chain processes on the various interfaced systems (WMS – TMS – tight flow – collaborative portal – SD - supplies).

6.4.5 ID Logistics: stable and experienced teams sharing common values

Backed by its more than 7,000 employees, the Group strives to disseminate four strong values throughout the countries where it operates: enterprise, operational excellence, rigor and solidarity.

Value	Guiding principles	Specific actions
Enterprise	- Be bold, imagine and develop new solutions, implement them while appraising the risks involved	- Prioritize individual entrepreneurial initiatives coming from within the company - Be attentive to colleagues' suggestions - Encourage mobility and openness towards other countries where the Group operates.
Operational excellence	- Total compliance with specifications and quality of service requirements. - Focus on new technologies to confirm excellence.	- Fix clear quantified targets for measuring performance - Undertake contractual commitments to perform regular reengineering studies - Enforce the CID rules without exception.
Rigor	- Rigor, discipline and professionalism in human relationships both inside the company and with customers and partners.	- Build a relationship with the customer based on clear, signed contract specifications - Demand exemplary behavior from managers in human relationships - Refuse any unethical business methods.
Solidarity	- Promote solidarity between colleagues and Group units. - Take concrete steps with colleagues, customers and partners to provide support in difficult situations, instigate or participate in campaigns to promote responsible and sustainable development.	- Help colleagues having physical or psychological difficulties - Promote a culture of social dialogue - Launch initiatives (ID Esperanza, etc.) - Promote a culture of mutual assistance between sites - Fully integrate sustainable development into Group strategy.

A stable management team fully committed to development

- **Management stability**

Only one of the ten original Group directors has left the company (due to retirement). The other directors have accompanied growth of the Group's business by taking on different functions.

- **Ability to attract top-quality staff, loyalty policy**

Very soon after its foundation, the Group acquired the reputation of an innovative, pioneering player and was soon able to attract top quality staff. The corporate strategy and the prospective remuneration, equity participation and working style allowed the Group to attract top-level managers.

The professional environment, particular the head office in the heart of the Lubéron region, has been an important differentiating and stabilizing factor.

Dynamic management of the Human Resources function

- **Workforce**

As of December 31, 2010, the Group's workforce amounted to 6,862 employees, up 18% over 2009.

Women represent 30% of the workforce. While there is equality between men and women in terms of salary, there is not an equal number of men and women in the workforce.

The different occupational categories are represented as follows:

Category	Manual workers	Employees	Supervisors	Managers
%	58%	18%	17%	7%

Each of the Group's foreign subsidiaries manages industrial relations in accordance with the applicable regulations of the relevant country and with the Group's values.

- **Training**

The Group has its own training institute, IDL Training, which has expanded its coverage. The training institute is a Group subsidiary and is approved by the French employment ministry; as such it holds almost all necessary authorizations relating to employee safety. In 2010, approximately 900 employees underwent training courses organized by IDL Training.

In addition, ID Logistics has launched a huge training program concerning management best practices intended for all operational managers (including warehouse managers, operational managers, departmental managers and team leaders). Over 300 employees attend these training programs every year by completing either the full 6-day course or a shortened 3-day version.
Started in the second half of 2010, this specialized training program is being continued in 2011.

Furthermore, in France ID Logistics has established firm relationships with employment partners such as Pôle Emploi, the departmental councils, Maisons du Handicap, etc. and has developed programs in various catchment areas for training and recruiting employees from non-transport and logistics professions in the course of retraining. In 2010, 70 employees were recruited through these schemes.

Finally, after the success of the first session, the France Operations Department supervised selections for a second promotion list of young managers with potential, called the "Vivier ID Logistics". The 12 employees included in the new promotion received over 20 days of training provided by experts in the following fields: Finance – Management Control, Real Estate Law, Sales, Human Resources, Management, etc.

- **Developments in employee social welfare**

Faced with ever-diminishing allowances from the social security department, ID Logistics, already committed to the principle of free complementary health insurance for its employees, together with its staff representative organizations launched a broad call for tenders to all social welfare companies.

Following this process, all employees covered by the *Unité Economique et Sociale*[1] benefit from additional insurance covering health and pension costs and a commitment to guarantee insurance costs for 3 years.

- **Staff transfers, a strength of the company**

The Group's business development has entailed several staff transfers both in France and in the foreign subsidiaries. From the very outset, ID Logistics has built up a model for employee transfers. The model is now approaching maturity, and is built around the following cornerstones:

- Capitalizing on the expertise of the staff acquired;
- Availability and attentiveness on the part of HR and operating staff;
- Individual support both before and after the transfer. This ensures career continuity and gives the new staff opportunities to build on their skills and career.

- **Safety and risk prevention at work – a management priority at ID Logistics**

Continuing the campaigns launched three years ago, ID Logistics has once again achieved a steep reduction in its industrial accident rate this year. The main indicators are under control and are in general below normal rates in the business.

Indicators for measuring psychosocial risks have been prepared and will be implemented at pilot warehouses and offices.

In addition to the physical well-being of employees, which must be preserved at all costs, ID Logistics applies best practices to ensure it can anticipate potential causes of psychosocial risks at its warehouses and offices.

6.5 ID LOGISTICS GROWTH STRATEGY

Major untapped potential for organic growth

ID Logistics currently operates in most countries where the mass market is a major target for large manufacturers and retailers. The Group intends to focus primarily on sectors where it is already present, in France and abroad.

In France, the Group has many sources of growth by winning new contracts (either due to a change in logistics supplier or by manufacturers or retailers outsourcing logistics) or by developing a multi-channel logistics solution ("traditional" versus "e-commerce" logistics) in conjunction with the support offered to existing customers. The Group has also made significant inroads into this new business line by the addition, at the beginning of 2011, of 4 e-commerce contracts in France, Spain and Brazil.

The Group still has major growth potential abroad. In the first stage, ID Logistics pursued a strategy of supporting its customers based in France and abroad. In the second stage, the Group aims to boost its competitive position by supporting local customers, either in their country of origin or via the Group's sites in other countries. In this respect, ID Logistics intends to focus on certain major growth sectors such as textiles, fresh produce and fragrances.

Geographically speaking, the Group does not rule out the possibility of moving into new countries with high growth potential, while maintaining its usual approach of supporting its existing customers then consolidating its local market position.

Stepping up growth through acquisition

[1] A French legal concept comprising a group of distinct legal entities under a common Works Council.

In the coming years, the Group also aims to step up growth via acquisitions. The Group might target several kinds of acquisitions in order to:

- Strengthen competitive positions in countries where it is already present in order to consolidate the sector in France and abroad;
- Develop additional logistics expertise in a new business;
- Reinforce the services related to contract logistics operations.

Summary of the Group's main strategic principles

In view of these different sources of growth, ID Logistics follows a strategy based on four major principles:

- **A fundamental approach as a logistics pure player and integrator of technical solutions**

  The Group has made the strategic decision to pursue growth based on its expertise in developing technical solutions specific to individual customers. As such the Group does not aim to develop business where growth is driven by controlling the business (i.e. inland transportation, air and sea freight forwarding, etc.).

- **International positioning focused on mass consumption countries**

  The Group is present in most mass consumption countries where its large retailer or FMCG manufacturer customers operate. The main objective is to increase market share in these countries, in particular through support offered to domestic customers. In the coming years, the activity of supporting existing customers could lead to openings in new countries. The first step would be to continue to offer support to existing customers for their growth in these countries.

- **Continuing focus on the mass market**

  The Group's expertise is based on the logistical management of high-volume contracts and the search for optimizing solutions along the entire supply chain from manufacturer through to end customer. The Group aims to continue to serve new types of customer within this sector.

- **Support for major customers in their new business lines and particularly in cross-channel selling**

  One avenue of potential growth lies in expanding the Group's offer to existing customers. In fact, increasingly decisive logistics support is required in order to keep pace with changing modes of distribution.

  The growth of online selling, the opening of "Drive"-type models, home delivery and other factors entail changes to distributors' logistics organization and thus present the Group with new opportunities.

  In a broader context, changes in consumer habits lead to growing complexity of logistical arrangements, due to:

  - An increase in the number of products offered for sale and the need for those products to be available;
  - Growing complexity of sales and distribution networks (see diagram in subsection 6.3.1 "Detailed presentation of ID Logistics' services");

- A requirement for greater flexibility in the management of volumes.

Expansion of the logistics offering is a suitable response to these requirements.

6.6 THE REGULATORY ENVIRONMENT

The Group is subject to two categories of specific regulations:

- Regulations concerning classified sites in the warehousing division;
- Where applicable, regulations concerning transportation.

Compliance with regulations concerning classified sites

The regulations concerning classified sites require a structured approach consisting in, for each tender offer:

- Identifying the exact nature of the products to be stored and the related hazards (e.g. inflammables, explosives, pollutants, etc.)
- Defining volumes for the whole year and periods of peak activity.

These factors are used to determine which sections of the permit to operate facilities classified for environmental protection (ICPE – *Installations Classées pour la Protection de l'Environnement*) are relevant (1510, 2663, 1412, etc.). In the case of a smaller-scale project or cross docking site, a simple declaration may be sufficient.

In France, the operator must apply to the Prefect's Office (*Préfecture*) responsible for the *région* in which the site will be located for permission to operate a classified site. The permit is managed by the regional environment, development and housing department (DREAL), which is also responsible for carrying out regular checks on the operator's compliance with its obligations once the permit has been granted. Similar regulations exist in the other countries in which the Group operates.

Based on this analysis, ID Logistics identifies existing warehouses on the market or warehouses to be built.

In certain cases, ID Logistics directly launches construction of a warehouse, carrying out all the formalities required for obtaining the requisite ICPE permits. To date, ID Logistics has managed construction of eight warehouses in France, each time obtaining the required approval.

Compliance with operating permits is an important part of the work of a logistics operator, which must check that stored products comply with permits granted and that the specific facilities and procedures required under the permit are properly maintained (e.g. fenced-off areas, specific fire hose reels, special surveillance procedures, etc.)

Regulations may differ between the various countries where the Group operates, even though they correspond to the same general principles.

As the Group only operates class "A" warehouses, it has the advantage of using new buildings in compliance with the latest operating permits.

Similar regulations exist in foreign countries where the Group operates. Having established eleven operating subsidiaries, ID Logistics has acquired a wealth of experience in controlling legal risks associated with the contract logistics business.

Compliance with regulations concerning transportation

Transportation and freight forwarding operations are also subject to specific regulations. In countries where ID Logistics conducts these kinds of operations, specific authorization has been requested and obtained.

The Group has always adopted the following procedure when first establishing operations:
- Analysis of the country's legal environment by the Group Legal Affairs department;
- Local support from a top-ranking legal firm;
- Centralization of the required permits by the Group Legal Affairs department.

6.7 SUSTAINABLE DEVELOPMENT AND GROWTH

Following strong growth, in 2008 ID Logistics defined a strategy for sustainable development based on three fundamental principles:

Environmental: Safeguard the environment and control risks by improving the environmental quality of assets employed (i.e. vehicles and warehouses);

Economic: Support customers in their sustainable development and growth strategy by implementing optimized, innovative solutions that meet the requirements of both economic and environmental performance;

Social and Societal: Improve employee safety and motivation via training and awareness schemes and encourage responsible initiatives.

6.7.1 Introduction: key measures implemented by ID Logistics

ID Logistics has introduced a system for monitoring and sharing environmental best practices with a view to fostering awareness among its entire staff and communicating its commitments to its customers. The introduction of this system has been followed up by a number of action plans that have generated concrete results such as waste recycling, reduction in water consumption, etc.

From a social and societal point of view, the Group has taken specific steps to improve working conditions for employees and has achieved a sharp reduction in the number of industrial accidents. These actions have resulted in boosting staff involvement and Group performance. The Group has also undertaken commitments to a humanitarian development program as part of its foreign expansion (ID Esperanza).

The Group also strives to offer large retail customers solutions that enable them to reduce their carbon footprint so as to ensure: (i) better environmental practices and (ii) improved procedures leading to reduced fossil fuel consumption.

Finally, the Group gives consideration to sustainable development issues at the planning stage of logistics projects so that such considerations can be factored into the solutions proposed to customers.

6.7.2 Establishing a system to monitor sharing of "sustainable development" best practices

From the outset, this system, which was set up at the beginning of 2010 in the form of an intranet forum, encouraged the dissemination of corporate values as part of ID Logistics' Sustainable Development strategy. The platform allowed the Group to promote the strategy among all employees and to inform the Group's customers about its commitment to sustainable growth and development.

The system also allows activities to be organized at Group level so as to make them:

- More effective (by making detailed information available on the execution of projects)
- Repeatable, on the basis of internal sharing of best practices

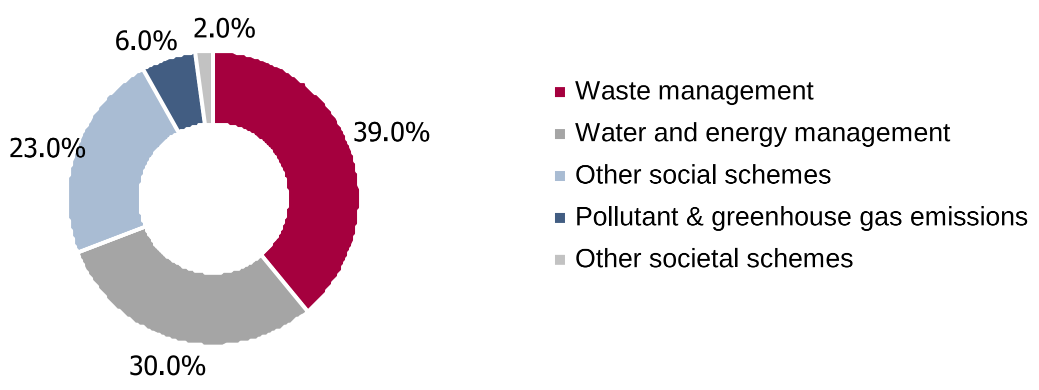
At present, all managers are responsible for promoting this sustainable development strategy as part of their remit and for measuring the progress achieved.

Since the start of 2011, warehouses have formally undertaken this commitment under their CID certification (see subsection 6.4.2) and have developed shared programs with their customers.

The tables and charts below show the actions carried out in the first half of 2011 and their breakdown by theme:

	January 2011	June 2011	Change
Number of actions launched	302	348	+15%
Completion rate	57%	58%	=
Number of projects implemented	172	205	+20%

Breakdown of projects by main theme:



At Group level, the following projects were selected most frequently by the operating managers (% of French sites opting for each project):

Top 5 projects	Facility	Impact	2010	2011
Waste sorting (warehouse)	✓	✓✓	82%	86%
Reductions in lighting time	✓	✓✓	48%	62%
Monitoring consumption of consumables/supplies	✓	✓	51%	54%
Introducing industrial accident tables	✓	✓	46%	54%
Limiting running water time	✓	✓✓	41%	49%

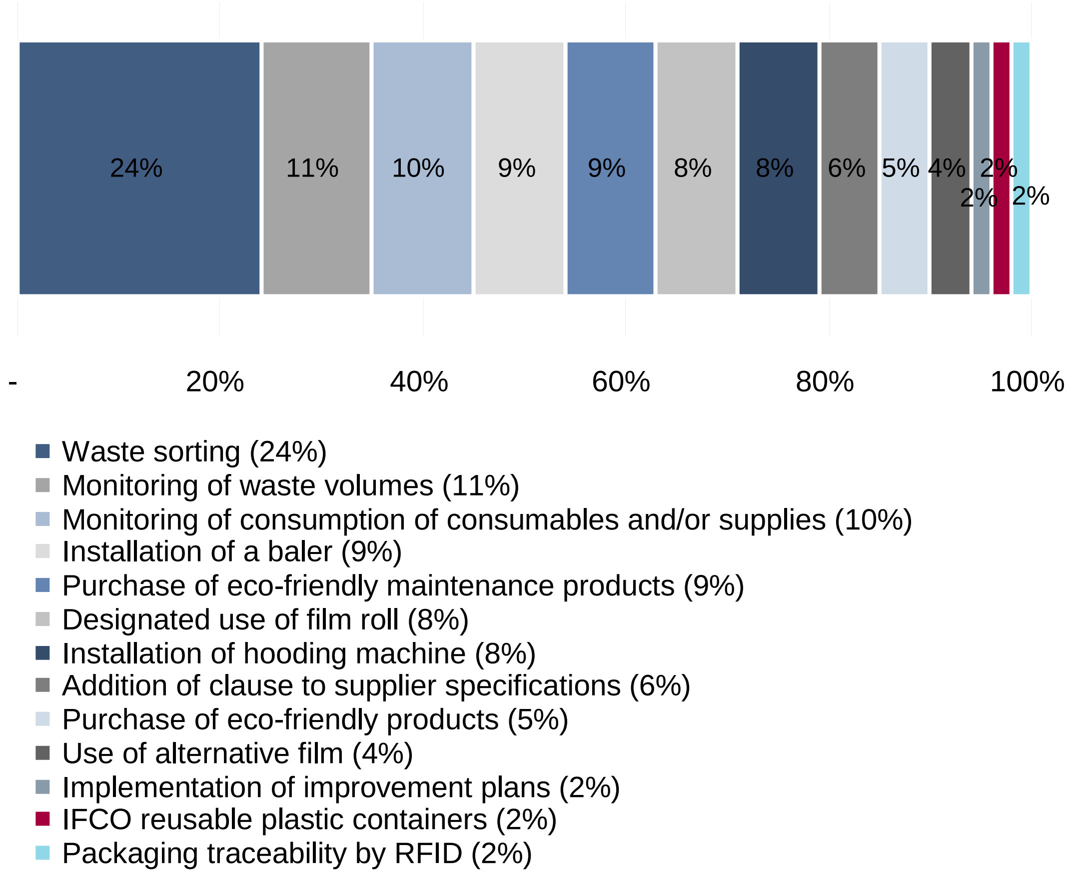
A procedure for managing the scheme has been established comprising a half-yearly review conducted by a sustainable development committee. This allows projects to be consolidated, indicators to be monitored and the monitoring procedure to be improved based on the results obtained.

Since the introduction of this procedure, ID Logistics has focused on the following areas:

Waste management

The treatment of waste generated by the logistics sites' operations is now fully integrated into the Company's operating policies.

The 190 waste management projects currently in progress break down as follows:

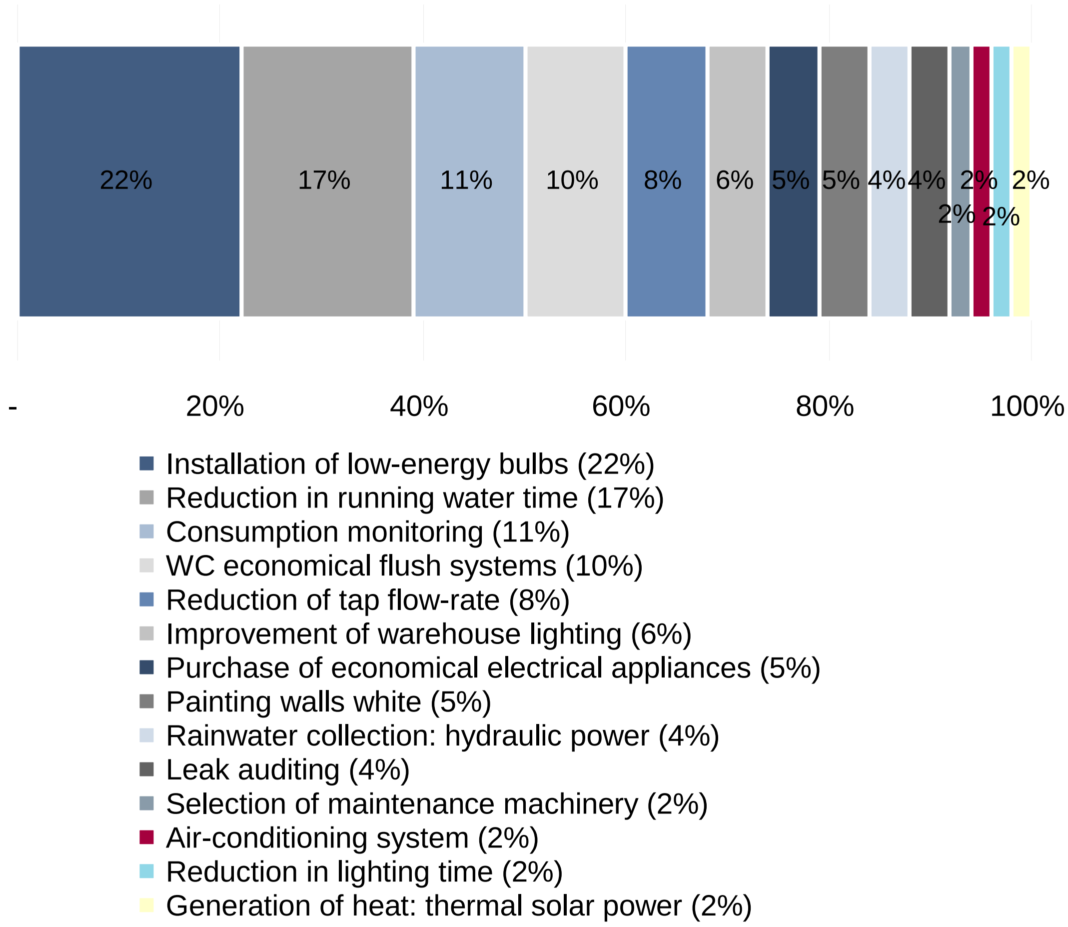


At present, 86% of warehouses have a waste sorting system, characterized by a high level of employee awareness.

This policy has generated significant results: 60% of waste generated was recycled in 2010, versus 42% in 2009.

Water and energy management

The Group has 105 ongoing water and energy management projects. These projects break down as follows:



ID Logistics aims to control its energy consumption and, as far as possible, make use of renewable energy.

In 2010, 23 sites launched a project for the installation of low-energy light bulbs; in addition, there are 40 projects in progress for reducing water consumption (e.g. running taps, consumption monitoring, toilet flush, etc.).

Measurement of energy consumption and CO_2 emissions per pallet dispatched

In 2010 the Group established a method for calculating and monitoring the energy consumed and quantity of CO_2 emitted for each pallet dispatched from the warehouse. This method will allow the Group to monitor regularly the results of its sustainable development policy.

Consumption in 2010:

- 4.11 kWh per pallet dispatched,
- 1.008 kg of CO_2 per pallet dispatched (exit from warehouse, excluding transportation).

6.7.3 **Solutions for reducing carbon footprint during transportation**

The activity of a logistics provider has a considerable impact on the environment. This impact is due to both the activity of warehouses and the position of the logistics supplier in its customers' supply chains.

The benefit of introducing a scheme for measuring and reducing overall energy consumption is the capacity to stabilize operating expenses.

Transportation operations are guided by a structured approach involving monthly monitoring of transportation's carbon footprint. This approach is demonstrated in particular by the Group's commitment to:

- Controlling its carbon footprint by means of monitoring teams;
- Combined transport;
- Reducing its CO_2 emissions through adherence to the ADEME[2] charter.

Transportation monitoring teams

The aim of the Group's transportation monitoring system is to reduce the carbon footprint of the customers concerned. Indeed, optimizing routing plans reduces the mileage with no load and vehicle operating time.

Better coordination of the parties involved in logistics (i.e. warehouses - transportation) allows for more efficient truck loading and consequently a reduction in the mileage required for delivering the same quantity of goods.

In 2010 for example, the Group invested more than €2 million in advanced flow analysis computer technology allowing real-time flow optimization and consequent reductions in CO_2 emissions.

Combined cold chain logistics

Through its subsidiary Froid Combi, ID Logistics has introduced an integrated rail/road solution using mobile containers, and has thus developed its expertise in rail/road logistics over the last 10 years, with three North-South domestic routes based on the Avignon-Valenton and Avignon-Dourges axes.
In 2010, 3,040 containers were shipped with the use of combined rail/road transport.

Owing to this system the Group managed to reduce its CO_2 emissions by 1,800 tons in 2010 (a truck emits 13 times more CO_2 than a container).

Routes	Mobile containers 2010	CO_2 rail/ container (kg)	CO_2 road/ truck (kg)	CO_2 rail 2010	CO_2 road 2010
Avignon - Valenton	1,189	41.5	598	49,938	711,022

[2] French Environment and Energy Management Agency

Valenton – Avignon	1,193	41.5	598	50,106	713,414
Avignon – Dourges	337	58	797	19,546	264,882
Dourges – Avignon	321	58	797	18,618	252,306
Total	3,040			137,017	1,948,862

The ADEME charter

In 2009, the Group signed the ADEME Charter, a voluntary charter for the reduction of CO_2 emissions by road carriers of goods. The Charter was drawn up by the French Ministry of Ecology, Energy, Sustainable Development and the Sea and various professional organizations in collaboration with ADEME. By signing the charter, the Group has undertaken to achieve certain CO_2 emission reduction targets. The Group aims to meet these targets by modernizing its vehicle fleet, monitoring its fuel consumption, training its drivers, improving load ratios and minimizing empty-load mileage.

A performance indicator:
kg of CO_2/pallet
In 2010: 13.49 kg of CO_2/pallet, **i.e. a reduction of 2.2%**

6.7.4 Involvement in the sustainable development and growth strategies of the Group's customers

As part of its customer strategy, and through the agency of the Contract Managers in particular, ID Logistics strives to contribute to its customers' global sustainable development and growth strategies and, for this purpose, offers the following services:

- Identification of the major sustainable development issues for a customer;
- Formalization of specific action plans drawn up and approved by the customer;
- Implementation of these action plans and measurement of the results;
- Evaluation of the customer's view of these actions by means of an annual questionnaire.

This strategy was launched in 2009. To date, approximately 40% of the Group's customers have participated in the scheme. The Group's target in the short term is to exceed a 50% customer participation rate by 2012.

As such ID Logistics' strategy is to support its customers in their sustainable development and growth strategies by proposing and implementing optimized, innovative and value-added solutions.

For example, the Group has provided the following solutions to customers:

Vehicle fleet shared between two distributors (general and specialized retail):
42 tons of CO_2 reduction per year

In collaboration with two major customers, ID Logistics organized four circuits, enabling the customers to reduce their CO_2 emissions, maximize load ratios and guarantee inventory availability at the stores.

→ Result: reduction in empty-load mileage and optimization of the fleet, leading to a 42 tons/year reduction in CO_2 emissions.

Energy diagnostic

- At the request of a customer wishing to carry out a complete diagnostic of its energy consumption, ID Logistics carried out an energy diagnostic of the complete logistics service offered to this customer and followed it up with the following actions for monitoring monthly water and electricity consumption:
  - Optimization and reduction of energy consumption through:
    - Installation of presence detectors in loading areas and corridors to limit outside night lighting;
    - Systematic cleaning of lighting equipment in order to improve yield;
    - Installation of timers on electric convection heaters to limit consumption outside working hours. Temperature is now monitored by means of an infra-red thermometer in order to delay boiler activation for as long as possible.
  - Rainwater collection in order to reduce the consumption of water for cleaning purposes.

Pilot hybrid vehicle

In partnership with a manufacturer and a major retailer, ID Logistics is introducing a test hybrid vehicle in the Marseilles region as from September 1, 2011. The aim of the project is to reduce CO_2 and other polluting emissions by over 30%. It should also allow these vehicles to operate in ZEVs (Zero Emission Zones) for urban assignments with zero CO_2 and low noise levels. Powered by a battery-operated electric motor, the vehicle can be recharged by means of a Range Extender or from a mains supply.

This project allows ID Logistics to position itself as a pioneer in the field of urban logistics, which is likely to undergo radical developments over the coming years.

Shared distribution center between a manufacturer and a large retailer

At the request of a major FMCG manufacturer and in partnership with a large retailer, ID Logistics has developed a new platform concept, that of the shared distribution center or EMCA (*Entrepôt Mutualisé de Consolidation Aval*).
The principle of this new warehouse involves offsetting up a regional industrial inventory hosted at a retailer's logistics warehouse with rail access, from which products will be shipped both to the retailer's stores and also to other retailers' warehouses.

The first pilot scheme was launched in March 2011 in a warehouse in the south of France. This new development allows major advances to be made in terms of sustainable development and supply chain optimization, particularly with a resumption of use of rail freight, a means of transport currently being promoted by the French and European governments.

According to initial forecasts, the replacement of road transport by rail freight should lead to a 500-ton reduction in this manufacturer's carbon footprint in 2011 and a 25% reduction in its CO_2 emissions in the South-East region (versus 2010). Over a year, this scheme is expected to result in a reduction of almost 1,000 in the number of trucks on the road (one full train is the equivalent of approximately 40 trucks)).

For example, ID Logistics has pioneered the search for shared solutions between several customers, in particular through the launch of supplier consolidation centers (CCC – Collaborative Consolidation Center) or shared distribution centers.

6.7.5 Social and societal commitments

Social and societal responsibility is an integral part of ID Logistics' strategy with regard to its own employees and to the company's relationship with the local business network surrounding each of its sites.

The Group's strategy consists in:

- Building a secure working environment that permits employees to advance their careers with ID Logistics;
- Acting as a responsible corporate citizen within the local community.

Building a secure working environment

Particular emphasis is laid on reducing the number of industrial accidents in all Group sites, training and on internal job transfers.

	2009	2010
Industrial accidents – frequency rate (1)	70.80	66.95
Industrial accidents – severity rate (2)	1.97	1.21
Hours of training	12,849	13,750
Internal job transfers	127	461

(1) no. of accidents during the year per million hours of work

(2) no. of days of temporary disability per 1,000 hours of work

Through the commitment of each site to these principles, ID Logistics strengthens staff commitment through training and awareness programs and encourages ever more responsible initiatives.

This involves:

⇨ Improving working conditions by reducing arduous work and improving prevention of industrial accidents;

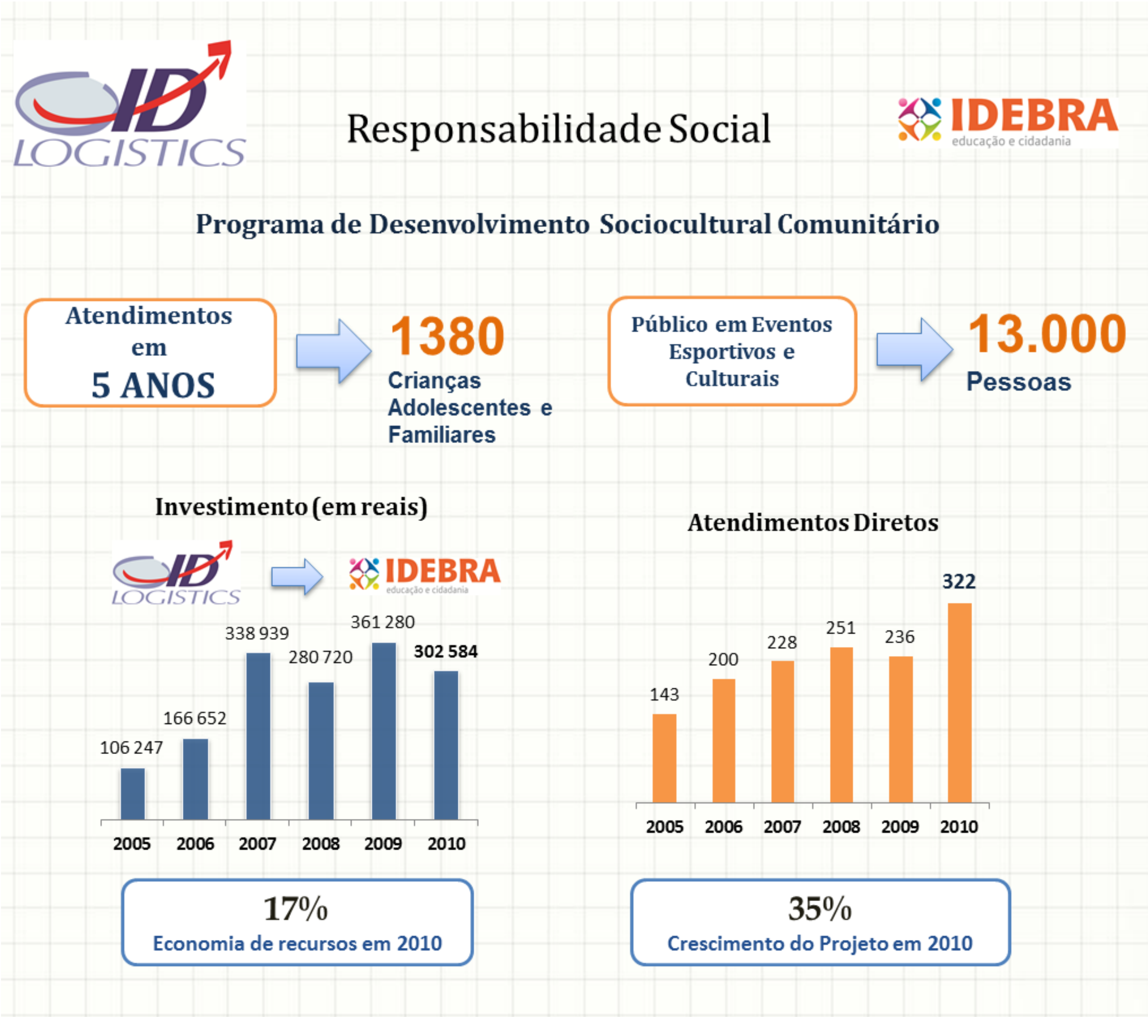
⇨ Developing the skills and employability of personnel. The Group's growth should offer every employee opportunities for promotion and professional fulfillment.

Acting as a responsible corporate citizen

To improve its integration within the local environment, in 2002 ID Logistics founded a charity called "ID Esperança" (renamed Idebra in 2011), which promotes education for young children and teenagers of the Favela Beira Mar, a slum situated very close to one of the Group's sites in Rio de Janeiro.

This project was managed directly by the Group to ensure that funds were used properly and to control the results. The aim of the project is to bring children back into education by means of a series of educational (tutoring), sporting (volleyball) and play-oriented (dance, reading and singing workshops) projects.

In 2010, 1,380 children benefited from this scheme:



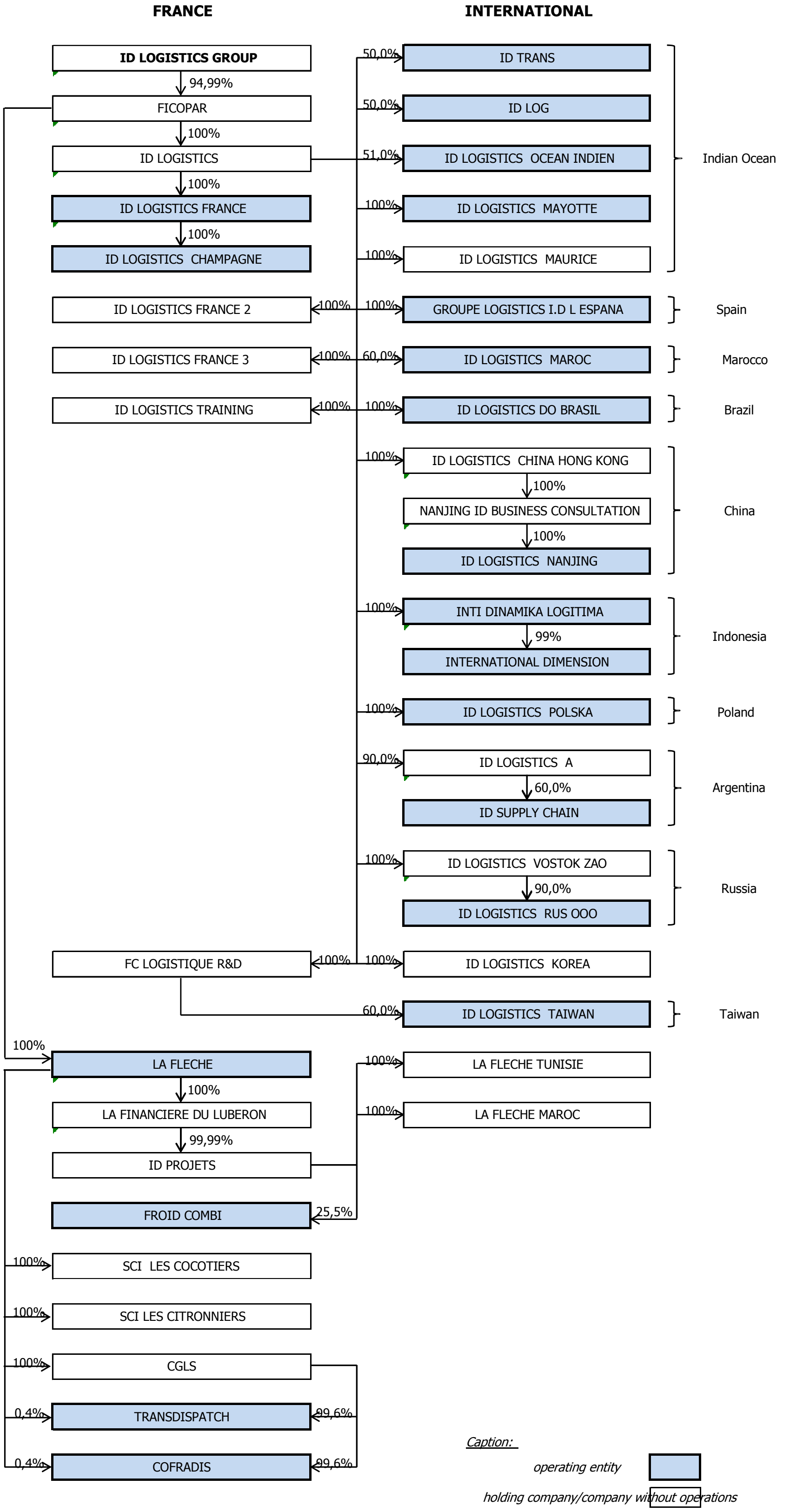
The annual budget, which amounts to over 300,000 reals, is funded half by ID Logistics and half by partners in the operation, most of which are Group customers or suppliers.

In 2010, the scheme's managers had the pleasure of seeing one of their former children go to university for the first time in the history of the Favela Beira Mar.

7 ORGANISATION CHART

7.1 LEGAL ORGANISATION CHART

The following diagram shows the Group's simplified organization chart as of December 31, 2010:



The Company is a holding company which has no business operations. It centralizes some of the Group's central services. The business operations are carried out by the subsidiaries (see Section 7.2 "Presentation of the Group's main companies").

As of the Base Document Date, the Company has direct and indirect shareholdings in 48 companies, of which 22 are located within mainland France. This chapter solely focuses on the main subsidiaries of the Group.

The Group companies' business is described in Chapter 6, "Business overview".

The duties carried out by the Company's officers and directors in the subsidiaries are described in Section 14.1, "Powers of the Board of Directors".

The Group's operational structure and the main centralized services are described in Section 17.1, "Human resources".

Chapter 17, "Employees", shows the distribution of the Group's employees.

The companies included in the Group 2010 consolidated financial statements are listed in Note 26 to the Company's consolidated financial statements for the years ended December 31, 2009 and December 31, 2010, appearing in Chapter 20 "Financial information concerning the assets, liabilities, financial position and results of the issuer".

As of December 31, 2010, the relative weighting of subsidiaries grouped by operating segment is as follows (€m except for headcount) :

	France	International	Total
Revenues	255.8	133.0	388.8
Inter-segment revenues	(2.4)	(0.2)	(2.6)
Net revenues	253.4	132.8	386.2
Operating income	9.1	3.4	12.5
Net cash flow from operating activities	31.4	0.4	31.8
Capital expenditure	43.6	2.6	46.2
Fixed assets	103.9	17.3	121.2
Headcount	2,563	4,299	6,862

7.2 PRESENTATION OF THE GROUP'S MAIN COMPANIES

The companies included in the Group 2010 consolidated financial statements are listed in Note 26 to the Company's consolidated financial statements for the years ended December 31, 2009 and 2010, appearing in Chapter 20 "Financial Information concerning the assets, liabilities, financial position and results of the Issuer".

7.2.1 Main companies in France

- La Financière de Commerce et de Participations (Ficopar)

Ficopar is a French simplified limited company (*société par actions simplifiée*) registered on July 12, 2005 with the Trade and Companies Registry of Avignon.

It was incorporated to take over Lazard Fonds Partenaire Gestion's shareholding upon its exit on July 28, 2005 (see Section 5.1, "History and evolution of the Company" of the Base Document). At that time, Ficopar took out a loan in an amount of 10.0 million Euros, repayable on a quarterly basis until July 31, 2012 (see Chapter 10, "Cash funds and equity of the Base Document") and a short-term loan of 2.1 million Euros, fully reimbursed in August 2007.

Ficopar acts as a cash-pooling holding company under a cash-pooling agreement or under specific financing agreements. It has been at the head of the consolidated tax group since the financial year ending December 31, 2006.

Ficopar has no employees.

- ID Logistics

ID Logistics is a French simplified limited company (*société par actions simplifiée*) registered on November 23, 2001 with the Trade and Companies Registry of Avignon.

It was created through the contribution of the existing logistics business of ID Projects (formerly La Flèche Cavaillonnaise) and of ID Logistics Group (formerly Vision Investissement). Until July 2005, it was jointly held by ID Logistics Group, Fonds Partenaire Gestion (Banque Lazard) and La Flèche Cavaillonnaise.

Since that date, it has maintained a holding activity and holds an interest in most of the foreign subsidiaries. In this respect, it may be called upon to enter into financing agreements with its subsidiaries.

ID Logistics has no employees.

- ID Logistics France

ID Logistics France is a French simplified limited company (*société par actions simplifiée*) registered on December 1, 2000 with the Trade and Companies Registry of Avignon under the name "La Flèche Logistique". It was given its current name on February 11, 2002 within the framework of the spin-off of the logistics activity of ID Projets (formerly La Flèche Cavaillonnaise) into a new company, the securities of which were contributed to ID Logistics in December 2001.

Today, it is the Group's main operating subsidiary and as of December 31, 2010 employed 1,933 persons directly.

- ID Logistics Champagne

ID Logistics Champagne (formerly NEO LOG) is a French simplified limited company (*société par actions simplifiée*) registered on September 24, 2004 with the Trade and Companies Registry of Châlons-en-Champagne. It was acquired by the Group in 2010.

It operates a site in France and as of December 31, 2010 employed 73 persons directly.

- La Flèche

La Flèche is a French simplified limited company (*société par actions simplifiée*) registered on December 5, 2007 with the Trade and Companies Registry of Avignon. It was created at the time of the acquisition by the Group of ID Projets (formerly La Flèche Cavaillonnaise), whose business it operates pursuant to a lease management agreement.

It operates 4 sites in France and as of December 31, 2010 directly employed 465 persons. The company posted 2010 revenues of €51.0 million, 41% of which was earned from existing customers of ID Logistics France. As of June 30, 2011, its fleet consisted of 209 tractors and 307 trailers. The entire fleet is leased.

- ID Projets

ID Projets is a French simplified limited company (*société par actions simplifiée*) registered on July 9, 1960 with the Trade and Companies Registry of Avignon under the name La Flèche Cavaillonnaise. After it was acquired by the Group in December 2007, it was given its current name.

On January 1, 2008, it entrusted the operation of its business to La Flèche pursuant to a lease management agreement. Furthermore, ID Projets holds an estate agent's license and may be involved in some of the Group's real estate projects.

ID Projets has no employees

- FroidCombi

FroidCombi is a French limited company (*société anonyme*), registered with the Trade and Companies Registry of Avignon on December 22, 1997.

FroidCombi holds combined rail-road transportation operator status, and its objects are the rail transportation of perishable or temperature-controlled goods on the main Avignon-– Paris – Lille routes.

It is jointly owned by SNCF (49.0% of the share capital), STEF-TFE (25.5%) and the ID Logistics Group (25.5%).

FroidCombi operates 3 sites in France and as of December 31, 2010 employed 16 persons directly.

- Transdispatch

Transdispatch is a French simplified limited company (*société par actions simplifiée)*, registered on March 29, 1990 with the Trade and Companies Registry of Meaux. It was acquired by the Group in 2010.

It operates a site in France and as of December 31, 2010 employed 23 persons directly.

- Cofradis

Cofradis is a French limited liability company (*société à responsabilité limitée*), registered on March 26, 1993 with the Trade and Companies Registry of Meaux. It was acquired by the Group in 2010.

It operates a site in France and as of December 31, 2010 employed 10 persons directly.

7.2.2 Main companies worldwide

- ID Logistics Taiwan (Taiwan)

  ID Logistics Taiwan is a company incorporated under Taiwanese law whose registered office is in Lujhu.

  It was created in 2001, and was the Group's first foreign subsidiary. It is jointly owned by its co-founder and current General Manager (who has a 40% shareholding).

  ID Logistics Taiwan manages food and non-food warehouses for major retailers, mainly in the form of cross-docking. As of December 31, 2010 it employed 204 persons directly. It also employs temporary workers to cope with peak business periods.

- ID Logistics do Brasil (Brazil)

  ID Logistics do Brasil is a company incorporated under Brazilian law whose registered office is in Sao Paulo.

  Created in 2002, it is now the Group's main subsidiary outside France. It manages approximately twenty sites for a varied portfolio of clients and for a diversified range of services, extending from the management of a standard warehouse for major retailers to supply chain management according to the Kanban method for a company in the automobile industry.

  As of December 31, 2010 ID Logistics do Brasil employed 2,136 persons directly.

- ID Logistics Nanjing (China)

  ID Logistics Nanjing is a company incorporated under Chinese law whose registered office is in Shanghai.

  Created in 2007, it manages 12 sites across the east of China (Shenyang, Beijing, Nanjing, Shanghai and Canton). It offers a variety of services, including co-packing for a food industry client and distribution around towns for a drinks manufacturer. It holds a transportation license for the Shanghai region.

  As of December 31, 2010 ID Logistics Nanjing employed 417 persons directly.

- ID Log (Réunion Island)

  ID Log is a company incorporated under French law whose registered office is in Le Port, on Réunion Island.

  Created in 2004, it is held jointly as to 50% by its business partner, whose logistics it manages.

  As of December 31, 2010, ID Log employed 84 persons directly.

- ID Trans (Réunion Island)

  ID Trans is a company incorporated under French law whose registered office is in Le Port, on Réunion Island.

  Created in 2004, it is held jointly as to 50% by its business partner for which it manages and organizes transportation.

  As of December 31, 2010 ID Trans employed 19 persons directly.

- ID Logistics Océan Indien (Réunion Island)

  ID Logistics Océan Indien is a company incorporated under French law whose registered office is in Le Port, on Réunion Island.

  Created in 2006, it is held jointly as to 49% by an investment fund. It performs logistics operations mainly for the clients other than those of the other Réunion Island subsidiaries.

  As of December 31, 2010 ID Logistics Océan Indien employed 50 persons directly.

- Logistics IDL España Group (Spain)

  Groupe Logistics IDL España is a company incorporated under Spanish law whose registered office is in Madrid.

  Created in 2006, it operates 5 sites for major retailers and the textile industry. Most of its sites are managed with the help of mechanical systems.

  As of December 31, 2010 Logistics IDL España Group employed 894 persons directly.

- PT Inti Dinamika Logitima (Indonesia)

  PT Inti Dinamika Logitima is a company incorporated under Indonesian law whose registered office is in Jakarta.

  Created in 2007, it operates warehouses, mainly for major retailers. As the holder of a freight forwarding license, it carries out some sea carriage capacity trading operations.

  As of December 31, 2010 PT Inti Dinamika Logitima employed 11 persons directly.

- PT International Dimension (Indonesia)

  PT International Dimension is a company incorporated under Indonesian law whose registered office is in Jakarta.

  Created in 2008, it holds a transportation license and offers road transportation management and organization services for major retailers and their suppliers.

  As of December 31, 2010 PT International Dimension has no direct employees.

- ID Logistics Polska (Poland)

  ID Logistics Polska is a company incorporated under Polish law whose registered office is in Katowice.

  Created in 2008, it manages food and non-food warehouses for major retailers and their suppliers. It has also developed a transportation organization and management package and is the holder of an international transportation license.

  As of December 31, 2010 ID Logistics Polska employed 472 persons directly.

- ID Supply Chain (Argentina)

  ID Supply Chain is a company incorporated under Argentinean law whose registered office is in Buenos Aires.

  Created in 2008, it is held jointly as to 40% by its co-founder and current General Manager. It manages food and non-food warehouses for major retailers.

  As of December 31, 2010 ID Supply Chain employed 115 persons directly.

- ID Logistics Maroc (Morocco)

  ID Logistics Maroc is a company incorporated under Moroccan law whose registered office is in Casablanca.

  Created in 2005, it is held jointly as to 40% by La Voie Express, its co-manager and business partner. It manages a food and non-food warehouse for major retailers.

  As of December 31, 2010 ID Logistics Maroc employed 81 persons directly.

- ID Logistics Rus (Russia)

  ID Logistics Rus is a company incorporated under Russian law whose registered office is in Moscow.

  Created in 2010, it is held jointly as to 15% by its co-founders. It manages a warehouse for a distributor in the DIY and decorating sector.

  As of December 31, 2010 ID Logistics Rus employed 4 persons directly.

7.3 MAIN INTRA-GROUP CASHFLOW

The main 2010 cash flows between Group companies were as follows:

- Cash-pooling agreement

  An automatic cash-pooling agreement has been entered into between Ficopar, in its capacity as cash-pooling company, and the main French subsidiaries, the Spanish subsidiary, the Polish subsidiary and the subsidiaries located in the Indian Ocean. This agreement aims to optimize the management of excess cash and cash requirements at Group level.

This agreement was entered into in 2005 for an indefinite term.

Pursuant to this agreement, advances received from subsidiaries bear interest at the 3-month Euribor annual rate reduced by 0.15% and the advances paid by the pooling company bear interest at the 3-month Euribor annual rate increased by 0.15%.

- Financing agreement

In its capacity as parent company of the foreign operating subsidiaries, ID Logistics SAS has entered into specific financing agreements to promote the start-up and development of certain subsidiaries. In particular, this is the case of the subsidiaries in China, Korea, Indonesia, Russia, Poland, Brazil and Argentina.

Such financing agreements are entered into for indefinite terms, unless stricter local regulatory provisions apply. The loans bear interest at rates acceptable for tax purposes to the parties and which vary from 3-month Euribor increased by 0.15% (in the case of the lowest rate) to the Russian Central Bank’s rate increased by 0.50% (highest rate).

- Tax consolidation agreement

As previously stated, a tax consolidation agreement exists and was entered into in March 2006 between Ficopar, as Group holding company, and ID Logistics, ID Logistics France and FC Logistics R&D. In subsequent supplemental agreements, the main French subsidiaries were consolidated in the tax group.

In compliance with Articles 223A *et seq.* of the French General Tax Code, this agreement sets out the procedures for contribution by the consolidated companies to the integrated group’s tax debt and the terms of use of the corporation tax savings derived from the application of this regime.

- Lease management agreement

As previously indicated, a lease management agreement exists between ID Projets and La Flèche whereby ID Projets leases its business undertaking to La Flèche.

This agreement was effective as of January 1, 2008 for a term of 5 years. During the 2010 financial year, La Flèche invoiced ID Projets an amount of €2.1 million under this agreement.

- Business development agreement

A business development agreement was entered into in 2007 between ID Projects and ID Logistics France.

Pursuant to this agreement, ID Logistics France remunerates ID Projets based on the turnover generated from clients in connection with ID Projets.
During the 2010 financial year, ID Projets invoiced ID Logistics France an amount of €0.8 million under this agreement.

8 PROPERTY, PLANT AND EQUIPMENT

8.1 SIGNIFICANT EXISTING OR FUTURE PROPERTY, PLANT AND EQUIPMENT, AND LEASES

The Group's head office is located at 410, route du Moulin de Losque à Cavaillon, France. It is occupied under a lease.

The Group owns a warehouse with surface area of 75,000 sqm at Brebières in Northern France. At December 31, 2010, the net book value of this warehouse was €31.8 million including €4.2 million of land. Since the purchase of a small freight business in 2010 as stated under Note 3 of sub-section 20.1.1 "2010 and 2009 consolidated accounts", the Group, via two SCI (French real estate companies), has also owned two 4,000 sqm warehouses in the Paris region, which are financed by leases.

To pursue its activities in France and abroad, the Group has signed several commercial leases for warehouses, for which the durations, terms and conditions on exit are generally identical to those specified in the contracts signed with the customers.
As of June 30, 2011, the number of warehouses and their surface area break down as follows:

	Number of warehouses	Surface area (sqm)
France	47	1,052,000
International	44	899,000
of which:		
Europe excl. France	11	324,000
Asia	11	106,000
Africa /Indian Ocean	3	38,000
South America	19	431,000
Total	91	1,951,000

The Group's real estate lease commitments are detailed in Note 24 to the consolidated financial statements.

8.2 OTHER PROPERTY, PLANT AND EQUIPMENT

Other than the land and the Brebières warehouse described above, the other fixed assets largely relate to transportation or handling equipment and IT facilities. As of December 31, 2010, the net book value of these assets is broken down as follows:

€m	Net book value
Land and buildings	7.5
Plant and equipment	13.2
Other PP&E	7.1
PP&E in progress	0.4
Total	28.2

The property, plant and equipment held by the Company are described under Note 2 of the notes to the financial statements in Section 20.1 "Annual historic financial information".

8.3 ENVIRONMENTAL ISSUES

The Group's business activities do not generate a significant risk to the environment: as of the Base Document Date, the Group stores and handles a certain amount of materials regarded as toxic under Seveso or equivalent regulations (aerosols, car batteries, paint, etc.) and provides the corresponding road transport services. These activities and services are of limited scope compared to the rest of the Group's activities and the Group considers that it is not significantly exposed to environmental risks. The Group also maintains an active policy of sustainable development, as described in Section 6.7 "Sustainable development and growth" of the Base Document.

In this respect, outside the scope of the usual regulations relating to environmental and safety standards, there is no environmental issue that could significantly influence the use of the Group's property, plant and equipment.

9 REVIEW OF RESULTS AND THE FINANCIAL POSITION

The reader is invited to read the following information relating to the financial position and the Group's results together with the Group consolidated financial statements prepared under IFRS for the years ended December 31, 2008, 2009 and 2010 and the summary consolidated financial statements for the six months ended June 30, 2011 as given under Chapter 20 "Financial information concerning the assets and liabilities, financial position and results of the issuer" of the Base Document.

Given that the figures stated in euro millions in the tables and analyses in this Chapter have been rounded, the totals shown do not necessarily equal the sum of the individual rounded figures. Similarly, the sum of the percentages that are based on the rounded figures does not necessarily equal 100%.

9.1 GENERAL PRESENTATION

The Company's consolidated financial statements have been prepared pursuant to IFRS, as adopted by the European Union. The financial statements were approved by the Board of Directors at its meeting on May 4, 2011.

9.1.1 Key factors that had a material impact on activities and earnings

- Development of the Group's activities

  The main factor that had a material impact on activities and earnings was the rapid growth in both the business and revenues.

  In the past, most growth in revenues was derived from winning new contracts, which generally came from tender offers that put the main market players in competition with each other.

  The start of a new contract involves progressive improvements in productivity due to training and gradual optimization of the staff involved, progressive changes to the site in terms of location of the goods in the warehouse, use of equipment, adapting the materials management procedures (i.e. goods-in, order preparation, shipment, quality controls etc.), and introducing IT systems. In view of this, it can take several months before optimum productivity is reached.

  Furthermore, a new contract may be acquired due to the Group establishing a presence in a new country. As stated in section 4.1.8, the burden of additional administrative costs specifically due to establishing a new legal and operational company in the relevant country comes on top of the progressive improvement in the site's operational productivity.

  Growth driving by new sites can therefore temporarily dampen the Group's overall earnings, which do not necessarily evolve in line with changes in revenues.

- Changes in contracts in progress

  On existing contracts, changes in revenues mostly follow movements in the indices used to establish the contractual price for the services and volumes provided. As such, the state of the economy may have an impact on the indices and volumes themselves and on the Group's capacity to successfully pull off commercial negotiations.

- Non renewal of contracts

  As stated under Chapter 6 "Business review" of the Base Document, even if the Group has only ever had five occasions when contracts were not renewed in the past, if a contract is not renewed this may lead to a reduction in Group revenues and earnings accordingly.

- Volatility of volumes

  Revenues, costs and the Group's operating income are subject to a certain degree of volatility in volumes during a year, a month or even a week. In order to manage such volatility, based on data provided from customers and past knowledge of contracts, the Group optimizes the fixed and variable resources at its disposal in terms of real estate, equipment and staff.

- Changes in production costs

  The Group's operating expenses cover both fixed and variable costs and include the following:
  - Staff costs including a fixed part and a variable part (due to temporary employees hired to cope with changes in volumes during the year);
  - Real estate costs, which are largely fixed, and related overheads including energy, cleaning etc.
  - Plant and equipment costs (e.g. IT, fork-lift trucks etc.) covering rent, maintenance and consumables.

  The Group strives to keep its costs variable where possible, notably its real estate, equipment and temporary staff expenses, and constantly reengineers its materials management procedures in order to improve the Group's margins.

9.1.2 Summary income statement

- Revenues

  Revenues correspond to invoices for services rendered, which cover handling, storage and other services (i.e. management of movements, transport, co-packing, etc.). Services are invoiced when rendered and generally on a monthly basis.

  Revenues are recorded net of value added tax.

- Purchases and external charges

  Purchases and external charges largely comprise the following items:
  - Temporary staff costs;
  - Premises costs including rent, rental charges, repairs and maintenance, security personnel and utilities such as water, electricity, gas etc.;
  - Handling and transport equipment costs on fork-lift trucks, tractors, articulated trailers, etc. covering rent, repairs and maintenance, fuel etc.;
  - Sub-contracting costs;
  - Other purchases and external charges comprise consumables (e.g. films, labels, packaging etc.), travel expenses, IT costs and administrative costs.

- Staff costs

Staff costs cover all expenses of Group employees including fixed and variable pay, related social security charges, pension accruals and charges, and employee profit share and incentives or the equivalent depending on the country concerned.

- Miscellaneous taxes

The line 'Miscellaneous taxes' principally relates to *Taxe Professionnelle* (regional business tax), tax on salaries, car tax, *organic* tax (on sales) in France and the equivalent depending on the country concerned.

In France, the reform of *Taxe Professionnelle* resulted in it being replaced in 2010 by the *Contribution Economique Territoriale* (regional economic contribution) consisting of, on the one hand, the *Cotisation Foncière des Entreprises* (business property tax - "CFE") and, on the other hand, the *Cotisation sur la Valeur Ajoutée des Entreprises* (tax on business added value - "CVAE"). As from January 1, 2010, the Group has taken the option to account for CVAE as a tax on income, while only the part relating to CFE continues to be posted under the line 'Miscellaneous taxes'.

- Other income and expenses

Other income and expenses largely consist of items that cannot be classified under one of the aforementioned categories, such as subsidies, currency gains and losses, disputes and adjustments and accrual write backs if applicable.

- Operating income

Operating income reflects the economic performance of the activities.

9.2 COMPARISON OF HALF YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

€m	**H1 2011**	**H1 2010**
Revenues	**211.8**	**182.4**
Purchases and external charges	(106.5)	(93.9)
Staff costs	(90.8)	(75.3)
Miscellaneous taxes	(3.9)	(3.4)
Other income (expenses)	0.5	0.3
Net write-backs (increases) to provisions	(0.9)	(1.0)
Net depreciation/impairment	(6.5)	(6.1)
Operating income	**3.8**	**3.1**
Net financial items	(1.3)	(2.3)
Corporate income tax	(1.4)	(0.9)
Share of earnings of equity affiliates	0.0	0.0
Total consolidated net income	**1.1**	**(0.2)**
Of which minority interests	(0.1)	0.2
Of which Group share	1.1	(0.4)

Consolidated revenues for the six months ended June 30, 2011 amounted to €211.8 million, up 16.1% over 2010, and 14.2% like-for-like (constant consolidation and exchange rates). They are broken down as follows:

€m	H1 2011	H1 2010
France	138.1	120.1
International	73.8	62.3
Total revenues	211.8	182.4

France revenues rose by 15.0% between the first half of 2010 and the first half of 2011. This increase was largely due to the new contracts signed during the first half of 2010 having a full six months effect on the first half of 2011 and to contracts signed during the first half of 2011. Revenues from existing contracts also rose due to increases in volumes handled and, to a lesser extent, increases in the price indices. Over the same period, International revenues rose by 18.3% (12.7% like-for-like). This increase is primarily due to the growth of business in Brazil, China, Poland and Argentina. Business volumes remained stable in Spain and Taiwan, falling slightly in the Indian Ocean region.

Purchases and external charges for the first half of 2011 amounted to €106.5 million, or 50.3% of revenues, compared to €93.9 million, or 51.5% of revenues, for the first half of 2010. The reduction in this ratio is mainly due to the fact that fewer temporary employees were hired in the first half of 2011, whereas a large number of new sites were launched in the first half of 2010.

Staff costs rose 20.6% to €90.8 million. This increase, slightly higher than the increase in business volumes, was offset by the aforementioned reduction in temporary staff.

Miscellaneous taxes remained relatively stable, representing 1.8% of revenues.

Other income and expenses and net increases to provisions remained stable between the first half of 2010 and the first half of 2011.
The table below shows the impact of these changes on operating margins:

€m	H1 2011	H1 2010
France	3.2	2.7
Operating margin (% of revenues)	*2.3%*	*2.3%*
International	0.6	0.4
Operating margin (% of revenues)	*0.9%*	*0.6%*
Total	3.8	3.1
Operating margin (% of revenues)	*1.8%*	*1.7%*

As explained in Section 6.3 "Market positioning of ID Logistics", business in the first half tends to be more volatile in terms of volumes handled, with larger swings between peaks and lows, than in the second half. This volatility is reflected in lower operational productivity and the fact that first-half operating income is generally lower than that of the second half.

The tax charge consists of corporate income tax, based on a 20% effective tax rate for the Group - comparable to the 2010 rate, and business added value tax (CVAE).

The share of earnings of equity affiliates remained stable for the six months ended June 30, 2011, compared to the six months ended June 30, 2010.

In view of the above, consolidated net income amounted to €1.1 million for the first half of 2011, compared to a €0.2 million loss for the first half of 2010.

9.3 COMPARISON OF YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

€m	**2010**	**2009**
Revenues	**386.2**	**309.8**
Purchases and external charges	(199.5)	(158.2)
Staff costs	(155.9)	(125.3)
Miscellaneous taxes	(6.5)	(7.3)
Other underlying income (expenses)	1.2	1.6
Net write-backs (increases) to provisions	(0.3)	(0.8)
Net depreciation/impairment	(12.8)	(10.6)
Operating income	**12.5**	**9.2**
Net financial items	(4.1)	(3.5)
Corporate income tax	(3.2)	(1.7)
Share of earnings of equity affiliates	(0.1)	0.3
Total consolidated net income	**5.0**	**4.3**
Of which minority interests	0.6	2.3
Of which Group share	4.4	2.0

2010 consolidated revenues amounted to €386.2 million, up 24.7% over 2009, and 18.6% like-for-like (constant consolidation and exchange rates), and is broken down as follows:

€m	2010	2009
France	253.4	213.7
International	132.8	96.1
Total revenues	386.2	309.8

2010 France revenues rose by 18.6% (14.5% like-for-like) vs. 2009, which greatly exceeds the market which grew by around 4% (source Analytiqa May 2011). This increase largely arose due to the opening of new warehouse sites and, to a lesser extent, due to an increase in volumes and prices for existing sites. Meanwhile, 2010 International revenues grew even more, by 38.2% (27.0% like-for-like). With the exception of the Indian Ocean region, all International subsidiaries grew between 2009 and 2010, in particular Brazil, Spain and Poland.

2010 purchases and external charges amounted to €199.5 million, up from €158.2 million in 2009. As a proportion of revenues, they remained stable at 51.7% vs. 51.1% in 2009.

Staff costs increased by 24.4% to €155.9 million, in line with the increase in revenues.

Miscellaneous taxes as a proportion of revenues decreased from 2.4% in 2009 to 1.7% in 2010. This reduction is largely due to the 2010 reclassification of a €2.0 million CVAE charge under the line Corporate Income Tax.

As in 2009, other income and expenses principally consist of subsidies, net exchange gains and profits on the sale of assets.

Depreciation charges have increased due to capital expenditure linked to the growth in business. Depreciation charges represent 3.3% of 2010 revenues, which is stable compared to 2009.

In view of the above, 2010 operating income came in at €12.5 million, which represented an operating margin of 3.2% of revenues, compared to 2009 operating income of €9.2 million and an operating margin of 3.0%, broken down as follows:

€m	2010	2009
France	9.1	9.0
Operating margin (% of revenues)	*3.6%*	*4.2%*
International	3.4	0.2
Operating margin (% of revenues)	*2.5%*	*0.2%*
Total	12.5	9.2
Operating margin (% of revenues)	*3.2%*	*3.0%*

Consolidated net financial expenses increased from €3.5 million in 2009 to €4.1 million in 2010. This increase is largely due to interest on a lease taken out to acquire a 75,000 sqm warehouse in Brebières, which was delivered in April 2010.

As stated above, as from 2010 the line 'Corporate Income Tax' includes the CVAE charge (€2.0 million in 2010). Excluding CVAE, the 2010 tax charge amounts to €1.2 million representing an effective tax rate of 19.4%, compared to a tax charge of €1.7 million and an effective tax rate of 29.4% in 2009. The net 2010 charge was reduced by the capitalization of unrealized tax losses that were previously not capitalized, in particular €0.6 million on the Group's business in Brazil to take account of the future prospects for using these tax losses. Adjusting for this amount, the 2010 effective tax rate would be 28.8%, which is close to the 2009 rate.

The share of earnings of equity affiliates, which principally relates to the Indian Ocean business, reduced from the 2009 share of earnings, when business volumes were very buoyant.

In view of the above, 2010 consolidated net income came in at €5.0 million, up from 2009 net income of €4.3 million. Following the 2009 purchase of an equity stake in Ficopar, minority interests now represents 12% of the 2010 total consolidated earnings, compared to 53% in 2009. Apart from minority interests in Ficopar, they largely consist of the Group's minority interests in the Taiwan business.

2010 net income, Group share, amounted to €4.4 million, up from 2009 net income, Group share, of €2.0 million.

9.4 COMPARISON OF YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

€m	**2009**	**2008**
Revenues	**309.8**	**299.8**
Purchases and external charges	(158.2)	(161.9)
Staff costs	(125.3)	(113.8)
Miscellaneous taxes	(7.3)	(7.1)
Other income (expenses)	1.6	(1.5)
Net write-backs (increases) to provisions	(0.8)	0.3
Net depreciation/impairment	(10.6)	(9.6)
Operating income	**9.2**	**6.2**
Net financial items	(3.5)	(3.5)
Corporate income tax	(1.7)	(0.3)
Share of earnings of equity affiliates	0.3	0.1
Total consolidated net income	**4.3**	**2.5**
Of which minority interests	2.3	1.3
Of which Group share	2.0	1.2

2009 consolidated revenues amounted to €309.8 million, up 3.3% over 2008, (3.8% like-for-like), and is broken down as follows:

€m	2009	2008
France	213.7	217.9
International	96.1	81.9
Total revenues	309.8	299.8

2009 France revenues edged down by 1.9% from 2008 in a market which declined by 8.4% (source: Analytiqa May 2011). This decline is largely due to lower volumes of transport services provided by the contractual logistics business, which is only partially offset by price increases and the inclusion of new sites for the warehousing business. Meanwhile, International revenues were up 17.3% (19.5% like-for-like). Most of this growth arose due to higher revenues in Brazil, China, Poland and Argentina, while the business remained stable in Taiwan and slightly down in Spain.

2009 purchases and external charges amounted to €158.2 million, or 51.1% of revenues, compared to €161.9 million in 2008 or 54.0% of revenues. This reduction on both absolute figures and as a proportion of revenues is due to lower sub-contracting volumes in line with the reduction in revenues for the relevant services, and due to cost control in an uncertain macro-economic environment.

Staff costs increased by 10.1% to €125.3 million. In France, the increase in 2009 staff costs compared to 2008 exceeded the increase in 2009 revenues over 2008 due to the full year impact of the 2008 recruitment campaign, which was undertaken to achieve a better balance of Group employees in relation to temporary staff. This increase is offset by a reduction in external charges. International staff costs increased by less than the growth in revenues.

Miscellaneous taxes remained stable and represented 2.4% of revenues.

2008 other income and expenses largely consist of litigation costs, which were partially offset by write-backs in the corresponding provisions. 2009 other expenses fell sharply and other income and expenses mainly consist of subsidies, net exchange gains and profits on the sale of assets, including a €2.6 million capital gain on the sale of a fully completed warehouse.

The 2009 tax charge amounted to €1.7 million representing an effective tax rate of 29.4%, compared to a tax charge of €0.3 million and an effective tax rate of 9.6% in 2008. The 2008 effective tax rate was particularly low due to some subsidiaries capitalizing their tax losses. Adjusting for these non-recurring items, the 2008 effective tax rate would be 29.4%, which is close to the 2009 effective rate.

The share of earnings of equity affiliates principally relates to the Indian Ocean business, which enjoyed buoyant business volumes in 2009 in relation to 2008.

In view of the above, 2009 consolidated net income came in at €4.3 million, up from 2008 consolidated net income of €2.5 million. Minority interests represented around 53% of 2009 total consolidated earnings, which was similar to 2008. 2009 minority interests largely consisted of minority interests in Ficopar.

2009 net income, Group share, amounted to €2.0 million, up from 2008 net income, Group share, of €1.2 million.

10 CASH AND CAPITAL

The reader is invited to read the following information relating to the Group's cash and capital together with the Group consolidated financial statements prepared under IFRS for the years ended December 31, 2008, 2009 and 2010 and the summary consolidated financial statements for the six months ended June 30, 2011 as given under Chapter 20 "Financial information concerning the assets and liabilities, financial position and results of the issuer".

Given that the figures stated in euro millions in the tables and analyses in this Chapter have been rounded, the totals shown do not necessarily equal the sum of the individual rounded figures. Similarly, the sum of the percentages that are based on the rounded figures, does not necessarily equal 100%.

10.1 CAPITAL, CASH AND GROUP SOURCES OF FINANCE

The Group's net borrowings break down as follows:

€m	6/30/2011	12/31/2010	12/31/2009	12/31/2008
Net cash and cash equivalents	15.1	13.3	10.2	6.1
Loans and borrowings	(51.7)	(54.8)	(33.7)	(30.6)
Hedges	(0.5)	(0.8)	(0.6)	(0.1)
Net borrowings	(37.1)	(42.3)	(24.1)	(24.6)

10.1.1 Equity finance

The Company has received a cumulative total of €2,052,930 (before deduction of share issue expenses) from share issues carried out between its incorporation September 12, 2001 and the Base Document Date as specified below:

Date	Capital stock	Transaction
9/12/2001	€40,000.00	Company incorporation
1/21/2002	€874,720.00	Capitalization of current account
3/28/2002	€381,100.00	Capitalization of current account
12/21/2009	€757,110.00	Capitalization of receivable
Total	€2,052,930.00	

The share issues dated January 21, 2002 and March 28, 2002 were carried out by transferring the current accounts, which represented moneys received from the founders and some managers since the Company's incorporation to fund the Company's development, to capital stock.

The share issue dated December 21, 2009 was fully subscribed by the company Immod and was undertaken in consideration for the Company's purchase of a 29.5% equity stake in La Financière de Commerce et de Participations (Ficopar) from Immod.

10.1.2 Cash

As of June 30, 2011, the Group's net cash and cash equivalents amounted to €15.1 million, up from €13.3 million as of December 31, 2010, €10.2 million as of December 31, 2009 and €6.1 million as of December 31, 2008.

€m	6/30/2011	12/31/2010	12/31/2009	12/31/2008
Cash and cash equivalents	16.1	15.1	11.2	7.5
Bank overdrafts	(1.0)	(1.8)	(1.0)	(1.4)
Net cash and cash equivalents	15.1	13.3	10.2	6.1

Cash and cash equivalents include cash, sight bank deposits, highly liquid money-market investments with initial maturities of up to three months and bank overdrafts. These investments amounted to €1.7 million as of December 31, 2010 and €2.4 million as of June 30, 2011.

10.1.3 Loan finance

In addition to using net operational cash flows, the Group funds capital expenditure by a bank loan taken out in 2005 for an initial amount of €12.1 million, finance leases and, where necessary, factoring.

These sources of finance are broken down as follows by category:

€m	6/30/2011	12/31/2010	12/31/2009	12/31/2008
Bank loan	2.5	3.5	5.4	7.3
Finance leases	46.3	48.8	15.6	14.6
Factoring	2.4	2.0	12.2	7.8
Other payables	0.5	0.5	0.5	0.9
Total	51.7	54.8	33.7	30.6

At June 30, 2011, finance leases included €31.7 million of real estate leases on warehouses described under Chapter 8 "Real estate and equipment" of the Base Document.

In addition, as of June 30, 2011, the Group had unused credit lines amounting to €9.4 million in the form of borrowings and €4.3 million in the form of finance lease liabilities (compared to €8.1 million and €6.3 million respectively as of December 31, 2010, as stated in Note 14 to the 2010 financial statements). Each of the unused credit lines is for a term of one year. In addition, the Group has a master factoring agreement relating to its business in France and Spain. This represents a total potential resource of €30.4 million, €2.4 million of which had been used as of June 30, 2011.

10.1.4 Loan terms and conditions and financing structure

At June 30, 2011, the maturities of these sources of finance break down as follows:

€m	Due in less than 1 year	1 to 5 years	Due in more than 5 years
Bank loan	1.9	0.6	-
Finance leases	8.8	19.7	17.8
Factoring	2.4	-	-
Other payables	0.3	0.2	-
Total	13.4	20.5	17.8

At June 30, 2011, the breakdown of these sources of finance by interest rate and currency is as follows:

€m	Amount	Currency	Rate
Bank loan	2.3	EUR	Variable
Bank loan	0.2	EUR	Fixed
Finance leases	30.1	EUR	Variable
Finance leases	14.8	EUR	Fixed
Finance leases	0.6	BRL	Fixed
Finance leases	0.4	Other	Fixed
Factoring	2.4	EUR	Variable
Other payables	0.5	Other	Fixed
Total	51.6		

With the exception of factoring, the other sources of finance at variable rates are hedged via interest rate caps.

The €2.3 million bank loan as of June 30, 2011was taken out by La Financière de Commerce et de Participations in 2005 for an initial amount of €12.1 million. The loan matures on July 31, 2012 and is subject to the following covenants for the Group:

- Compliance with financial ratios (consolidated data at the consolidation level of the subsidiary concerned under French GAAP)
  - Ratio 1: the ratio between (i) medium and long term debt and (ii) free cash flow, must be lower than 2.0
  - Ratio 2: the ratio between (i) medium and long term debt and (ii) shareholders' equity, must be lower than 1.0
  - Ratio 3: net cash and cash equivalents defined as the net balance of net cash available and medium and long term debt, must be at least €7.0 million
- Compliance with the usual restrictions for this type of finance relating to issue of sureties, pledges etc.
- Prohibition for the subsidiary concerned from paying out dividends

Non-compliance with these covenants, or a lack of prior waiver or approval from the lending banks may lead to the remaining balance of principal falling due immediately as of the date of the non-compliance.

10.1.5 Restrictions on the use of finance

With the exception of the bank covenants described above, there are no restrictions on the use of finance generated or received by the Company and its subsidiaries.

10.1.6 Off-balance sheet commitments

Off-balance sheet commitments granted by the Group are as follows:

€m	6/30/2011	12/31/2010	12/31/2009	12/31/2008
Real estate leases	37.0	32.5	40.3	42.0
Plant and equipment leases	15.6	14.0	19.4	15.2
Parent company guaranties	4.9	5.0	3.9	3.7
Borrowings subject to covenants	2.3	3.3	5.1	6.9

Off-balance sheet commitments principally comprise warehouse or equipment lease commitments over the remaining term of the leases summarized as follows at June 30, 2011:

€m	Due in less than 1 year	1 to 5 years	Due in more than 5 years
Real estate leases	18.1	19.0	-
Plant and equipment leases	6.0	9.0	0.7
Total	24.1	28.0	0.7

10.2 CASH FLOWS

10.2.1 Comparison of half years ended June 30, 2011 and June 30, 2010

€m	**H1 2011**	**H1 2010**
Net income	1.1	(0.2)
Net depreciation, impairment and provisions	7.3	7.2
Tax charge net of tax paid	(0.5)	(1.0)
Net financial costs from financing activities	1.2	1.6
Fair value adjustments on financial instruments	(0.2)	0.5
Share of undistributed earnings of equity affiliates	(0.0)	(0.0)
Change in working capital	1.8	0.0
Net cash flow from operating activities	**10.7**	**8.7**
Net cash flow from investing activities	**(4.4)**	**(39.7)**
Net borrowings taken out (repaid)	(3.2)	29.6
Net financial costs from financing activities	(1.2)	(1.6)

Non-Group dividends distributed	-	-
Net cash flow from financing activities	**(4.4)**	**28.0**
Exchange gains (losses)	(0.1)	0.2
Net change in net cash and cash equivalents	**1.8**	**(3.2)**
Opening net cash and cash equivalents	13.3	10.2
Closing net cash and cash equivalents	15.1	7.0

Net cash flow from operating activities

Net cash flow from operating activities for the first half of 2011 amounted to €10.7 million, up from €8.7 million for the first half of 2010.

- Excluding changes in working capital, operating activities generated €8.9 million in cash flow in the first half of 2011, compared to €8.7 million for the equivalent period in 2010. This increase is largely due to the improvement in operating income before depreciation and provisions.
- The change in working capital generated €1.8 million of cash for the first six months of 2011, whereas no change was registered for the first six months of 2010. This positive development was mainly due to continued acceleration of the collection of customer receivables.

Net cash flow from investing activities

As stated, notably in Chapter 8 "Property, plant and equipment" of the Base Document, in the first half of 2010 the Group purchased a 75,000 sqm warehouse in Northern France for €32 million.

Adjusting for this non-recurring item, net cash flow from investing activities amounted to €7.7 million for the first half of 2010. Capital expenditure over the equivalent period in 2011 was lower, amounting to €4.4 million, due to the fact that fewer new sites were launched.

Net cash flow from financing activities

In the first half of 2010, net borrowings taken out mainly consisted of a €32.0 million lease contracted to fund the purchase of the Brebières warehouse. Adjusted for this amount, financing transactions used up €4.0 million in cash over the first half of 2010, comparable to the corresponding amount in 2011 (€4.4 million).

In total, after exchange gains and losses, the Group posted €1.8 million in net cash flow for the first half of 2011, having consumed €3.2 million during the first half of 2010.

10.2.2 Comparison of years ended December 31, 2010 and December 31, 2009

€m	**2010**	**2009**
Net income	5.0	4.3
Net depreciation, impairment and provisions	13.3	11.7
Tax charge net of tax paid	0.3	1.1
Net financial costs from financing activities	3.5	2.8
Fair value adjustments on financial instruments	0.2	0.5
Share of undistributed earnings of equity affiliates	0.1	(0.2)
Change in working capital	9.4	(3.6)
Net cash flow from operating activities	**31.8**	**16.6**
Net cash flow from investing activities	**(44.0)**	**(12.9)**
Net borrowings taken out (repaid)	18.9	3.1
Net financial costs from financing activities	(3.5)	(2.8)
Non-Group dividends distributed	(0.3)	-
Net cash flow from financing activities	**15.1**	**0.3**
Exchange gains (losses)	0.2	0.1
Net change in net cash and cash equivalents	**3.1**	**4.1**
Opening net cash and cash equivalents	10.2	6.1
Closing net cash and cash equivalents	13.3	10.2

Net cash flow from operating activities

2010 net cash flow from operating activities amounted to €31.8 million, up from €16.6 million in 2009.

- Excluding changes in working capital, 2010 operating activities generated €22.4 million compared to €20.2 million in 2009. This increase is largely due to the improvement in operating income before depreciation and provisions.
- The 2009 change in working capital included a €8.4 million payment in advance received in 2008 in conjunction with the construction of a warehouse on behalf of a customer. Adjusting for this transaction, the 2010 change in working capital remained similar to 2009 and moved in line with revenues.

Net cash flow from investing activities

As stated above, notably Chapter 8 "Property, plant and equipment " of the Base Document, in 2010 the Group purchased a 75,000 sqm warehouse in Northern France for €32 million.

Adjusting for this non-recurring item, the 2010 net cash flow from investing activities amounted to €12.0 million, which was similar to the 2009 figure of €12.9 million. As in 2009, 2010 net cash flow from investing activities principally consists of capital expenditure in plant and equipment in conjunction with company start-ups and, to a lesser extent, payments or repayments of deposits on leased warehouses.

Net cash flow from financing activities

In 2010, net borrowings taken out largely consist of a €32.0 million lease contracted to fund the purchase of the Brebières warehouse. Factoring reduced by €10.2 million in 2010 and repayments of senior debt were pursued amounting to €1.8 million while finance lease payables remained relatively stable compared to December 31, 2009.
In 2009, net borrowings taken out are largely due to a €4.4 million increase in factoring and a continuing increase in finance lease payables amounting to €1.0 million, while the Group continued to repay senior debt amounting to €1.8 million.

The increase in net financial costs from financing activities between 2010 and 2009 is primarily due to interest on the lease for the Brebières warehouse.

In total, after exchange gains and losses, the Group posted €3.1 million in net cash flow in 2010 having posted €4.1 million in 2009.

10.2.3 Comparison of years ended December 31, 2009 and December 31, 2008

€m	**2009**	**2008**
Net income	4.3	2.5
Net depreciation, impairment and provisions	11.7	9.4
Tax charge net of tax paid	1.1	0.8
Net financial costs from financing activities	2.8	3.4
Fair value adjustments on financial instruments	0.5	0.1
Share of undistributed earnings of equity affiliates	(0.2)	0.0
Change in working capital	(3.6)	11.5
Net cash flow from operating activities	**16.6**	**27.7**
Net cash flow from investing activities	**(12.9)**	**(8.7)**
Net borrowings taken out (repaid)	3.1	(13.5)
Net financial costs from financing activities	(2.8)	(3.4)
Non-Group dividends distributed	-	-
Net cash flow from financing activities	**0.3**	**(16.8)**
Exchange gains (losses)	0.1	0.1
Net change in net cash and cash equivalents	**4.2**	**2.3**
Opening net cash and cash equivalents	6.1	3.8
Closing net cash and cash equivalents	10.2	6.1

Net cash flow from operating activities

2009 net cash flow from operating activities amounted to €16.6 million, down from €27.7 million in 2008.

- Excluding changes in working capital, 2009 operating activities generated €20.2 million compared to €16.2 million in 2008. This increase is largely due to the improvement in operating income before depreciation and provisions.
- The change in working capital included a €8.4 million payment in advance received in 2008 and posted to receivables in 2009 in conjunction with the construction of a warehouse on behalf of a customer. Adjusting for this transaction, the 2009 change in working capital remained similar to 2008 and moved in line with revenues.

Net cash flow from investing activities

Net cash flow from investing activities principally consists of capital expenditure in plant and equipment in conjunction with company start-ups and, to a lesser extent, payments or repayments of deposits on leased warehouses.

2009 net capital expenditure amounted to €12.9 million, up from €8.7 million in 2008. The increase is in line with the opening of new sites, especially in the second half of 2009.

Net cash flow from financing activities

In 2008, the net repayments of borrowings are largely due to lower factoring, amounting to €12.1 million, and the €1.6 million repayment of senior debt, while finance lease payables increased by €0.7 million.
In 2009, net borrowings taken out are largely due to a €4.4 million increase in factoring and a continuing increase in finance lease payables amounting to €1.0 million, while the Group continued to repay senior debt amounting to €1.8 million.

2009 net financial costs from financing activities reduced from 2008 levels in line with the reduction in factoring.

In total, after exchange gains and losses, the Group posted €4.2 million in net cash flow in 2009 having posted €2.3 million in 2008.

10.3 REQUIRED SOURCES OF FINANCE FOR THE FUTURE

Group management considers that operating cash flows and available sources of finance as described under section 10.1 of this chapter are sufficient to fund the Group's organic growth.

11 RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, BRANDS AND DOMAIN NAMES

11.1 BRANDS

Since the Group's incorporation, it has owned its brands which it protects to mitigate the effects of competition. Indeed, the Group's policy is to file its brand name in all countries where it operates or it may operate in the future.

As of the Base Document Date, the following brand names have been filed:

- ID Logistics: semi figurative colored brand in categories 35, 37, 38, 39 and 42.
- La Flèche Logistique: semi figurative colored brand in categories 35, 37, 39 and 42.
- La Flèche Transport: semi figurative colored brand in categories 35, 37, 39 and 42.
- ID Group: verbal brand in categories 35, 37, 38, 39 and 42.
- La Flèche: brand with colored logo in categories 39 and 42.
- Froid Combi: verbal brand in categories 35, 37, 39 and 42.

The Group's legal department backed by a specialist firm of attorneys monitors the portfolio of Group brands, both in terms of filing and renewal, paying particular attention to the ID Logistics brand, which is the Group's principal brand.

11.2 DOMAIN NAMES

Domain names filed by the Company are as follows:

- www.id-logistics.com
- www.la-fleche.eu
- www.id-logistics.eu

11.3 RESEARCH AND DEVELOPMENT

As stated in Chapter 6 "Overview of activities", since its inception the Group has placed a strong emphasis on technological innovation, enabling it to offer its customers solutions that combine quality of service with productivity, while ensuring more ergonomic working conditions for its staff.

This innovation culture is supported by the Group's R&D department, staffed by 15 technicians who add a new technological perspective to each commercial offer or reengineering request.

Nevertheless, the Group's R&D expenditure does not entitle it to a tax credit. The Group does not capitalize its R&D expenses, but posts them to expenses as and when incurred. The annual amount of R&D costs recorded as expenses by the Company is not material.

12 TRENDS

12.1 PRINCIPAL TRENDS SINCE THE MOST RECENT FISCAL YEAR END, DECEMBER 31, 2010 AND THE HALF YEAR ENDED JUNE 30, 2011

As stated in Section 9.2 "Comparison of half years ended June 30, 2011 and June 30, 2010", over the six months following 2010 year-end the Group has seen:
- 16.1% revenue growth (14.2% like-for-like),
- a 22.6% increase in its operating income, to €3.8 million,
- continued reduction of its debt, with a €1.8 million increase in net cash and cash equivalents.

Moreover, by a decision of the Bobigny Commercial Court, on October 1, 2011 the Group acquired the principal business activities of Mory Logidis, the logistics division of the Mory Group, under court-ordered reorganization since June 2011. This transaction concerns about ten sites belonging to the Mory Group, all located in France, with annual revenues of around €25 million and headcount of 235. The acquisition of Mory Logidis enables the Group to expand its range of skills with the addition of this company's know-how in relation to manufacturing customers such as Yves Rocher, Rémy Cointreau, SNECMA and Filtrauto. It also allows the Group to establish a presence in Western France with the sites in Britanny and Pays de la Loire, which will complement the Group's existing sites located mainly in Northern France, the Paris region and the South-West. The transaction consisted of the purchase of operating assets for €1.5 million and the assumption of corporate liabilities in the form of an estimated €1.0 million accrual for vacation and thirteenth month pay. The transaction was financed from the Group's available cash resources.

Boosted by this acquisition and the sustained momentum of organic growth, Group 2011 revenues amounted to €462 million, 20% up compared to 2010 (unaudited – the final consolidated financial statements will be approved at the Board of Directors meeting on March 19, 2012).

12.2 KNOWN TRENDS, UNCERTAINTIES, COMMITMENT REQUEST OR EVENT REASONABLY LIKELY TO IMPACT THE COMPANY'S OUTLOOK

As of the Base Document Date, apart from the aforementioned items there is no known trend, uncertainty, commitment request or event reasonably likely to have a material impact, either positive or negative, on the Company's outlook.

13 PROFITS FORECASTS OR ESTIMATES

The Company does not intend to prepare a profits forecast or estimate.

14 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BOARDS AND GENERAL MANAGEMENT

14.1 POWERS OF THE BOARD OF DIRECTORS

Until June 21, 2010, the Company was incorporated as a *société par actions simplifiée* (French simplified joint stock company). The shareholders' general meeting dated June 21, 2010 approved the Company's transformation into a *société anonyme* (French joint stock company) with a Board of Directors and adopted new corporate governance rules.

A summary description of the principal requirements of the Company's new bylaws and the operations of the audit committee are given in Chapters 21.2 "Deed of Incorporation and Bylaws" and 16.3 "Specialist Committees - corporate governance".

14.1.1 Members of the Board of Directors

The Board of Directors comprises five members. Their term of office runs for three years.

Membership of the Board of Directors has been arranged so as to bind the Group's supervisory shareholder representatives to defining, implementing and monitoring the Group's development strategy, while giving the Group the diverse international professional experience of the directors.

As of the Base Document Date, the Company's Board of Directors consists of the following members:

Name	Age	Nationality	Position	Date of appointment	Year of reappoint ment	Number of shares held	Independent member(3)
Eric Hémar	48 years	French	Chairman and CEO	6/21/2010	2013	648,230	No
Immod(1), represented by Christophe Satin(2)	41 years	French	Director	6/21/2010	2013	969,749	No
Nicolas Derouin	35 years	French	Director	6/21/2010	2013	35,350	No
Michel Clair	64 years	French	Director	6/22/2011	2014	-	Yes
Jacques Veyrat	48 years	French	Director	6/22/2011	2014	-	Yes

(1) At the Base Document Date, 85.87% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar, via Comète, and 14.13% by Mr. Christophe Satin.
(2) At the Base Document Date, Mr. Christophe Satin directly held 83,910 shares in the Company.
(3) The Company's Board of Directors classifies directors' independence based on each director not having any link with the Company, the Group or its general management, which could compromise their freedom of judgment in their positions as directors.

By decision dated June 21, 2010, the Board of Directors appointed Mr. Eric Hémar, whose business address is the Company's head office, as Chairman and Chief Executive Officer of the Company.

There is no family relationship between the people specified above.

To the Company's knowledge, none of these people in the last five years have:

- been condemned for fraud;
- been associated as corporate senior executive or director to a bankruptcy, sequestration or liquidation;
- been prohibited from acting as director;
- been sentenced to official public sanctions or penalties by the statutory or regulatory authorities;
- been prohibited by a court from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the business of an issuer.

14.1.2 Directors' details

- **Eric Hémar**
  Chairman of the Board of Directors
  Business address: 410, route du Moulin de Losque, 84300 Cavaillon

  Eric Hémar, a former student of ENA, began his career at the *Cour des comptes* (French government Court of Audit) before joining the French Equipment, Transport and Tourism ministry in 1993, where he was technical advisor to minister Bernard Bosson. In 1995, he began working for the Sceta group, followed by Geodis as Corporate Secretary. He left Geodis Logistics in March 2001 to found ID Logistics. Eric Hémar has been Chairman and Chief Executive Officer of the Company since the shareholders' general meeting dated June 21, 2010, prior to which he was Chairman of the Company.

  List of functions and offices exercised as of the Base Document Date

  Principal function
  - Chairman and Chief Executive Officer of the ID Logistics group

  Other offices within the Group
  - Chairman: ID Logistics, ID Logistics France, ID Logistics France 2, ID Logistics France 3, ID Logistics Mayotte, ID Logistics Océan Indien, La Financière de Commerce et Participations (Ficopar), Immod 1, ID Logistics Entrepôts
  - General Manager: FC Logistique R&D, ID Logistics Maroc, ID Logistics Training
  - Member of the Supervisory Board: Dislogic
  - Director: ID Logistics China Holding Hong-Kong, ID Logistics Maurice, ID Logistics Nanjing, ID Logistics Polska, ID Logistics Taiwan, ID Logistics Business Consulting, ID Consulting Shanghai

  Other offices within the Group
  - Chairman: Les Parcs du Lubéron Holding
  - General Manager: Comète, SCI Fininco

  List of functions and offices having expired during the last five years
  - Chairman: La Flèche

- **IMMOD, represented by Christophe Satin**
  Director
  Business address: 410, route du Moulin de Losque, 84300 Cavaillon

  Immod is a *société anonyme par actions simplifiée* (French simplified joint stock company). As of the Base Document Date, 85.87% of its capital was held by Mr. Eric Hémar, via Comète, and 14.13% by Mr. Christophe Satin. Immod holds 47.24% of the Company's capital.

  List of functions and offices exercised as of the Base Document Date

  Principal function
  None

  Other offices within the Group
  None

  Other offices outside the Group
  None

  List of functions and offices having expired during the last five years
  None

- **Christophe Satin, Immod representative**
  Business address: 410, route du Moulin de Losque, 84300 Cavaillon

  Christophe Satin graduated from ISG and began his career with Arthur Andersen. He went on to work for various industrial companies before joining Geodis as Overseas financial manager for Geodis Logistics. In 2001, he co-founded ID Logistics, for which he was appointed Chief Financial Officer followed by Senior Vice President.

  List of functions and offices exercised as of the Base Document Date

  Principal function
  - Senior Vice President of the ID Logistics group (appointed September 14, 2011 for an unlimited term of office)

  Other offices within the Group
  - Chairman: Comptoir Général de Logistique et de Services, Coop Interflèche, ID Logistics Champagne, La Flèche
  - General Manager: SCI Les Citronniers, SCI Les Cocotiers
  - Managing Director: ID Log, ID Trans
  - Director: ID Logistics China Holding Hong-Kong, ID Logistics Korea, ID Logistics Maurice, ID Logistics Taiwan, ID Logistics Nanjing, ID Logistics Business Consulting, ID Consulting Shanghai, ID Logistics Polska
  - Member of the Supervisory Board: Dislogic

  Other offices within the Group
  - General Manager: Libertad

  List of functions and offices having expired during the last five years

None

- **Nicolas Derouin**
  Director
  Business address: Rua Dr. Mauro Lindenberg Monteiro, N°322, Via Simões de Almeida, Osasco, São Paulo – SP 06 278-010, Brazil

  Nicolas Derouin, a graduate of the Ecole Centrale de Lille, began his career with Geodis Logistics as engineer of studies and methods in Latin America. Late 2001, he joined ID Logistics for the launch of operations at the Group's Taiwan subsidiary. In 2002, he joined ID Logistics Brazil as engineer of studies and methods before being appointed Managing Director in 2005.

  List of functions and offices exercised as of the Base Document Date

  Principal function
  - Managing Director ID do Brasil Logistica (Brazil)

  Other offices within the Group
  - Director: ID do Brasil Logistica (Brazil)
  - Director Suplente: ID Supply Chain (Argentina)

  Other offices outside the Group
  None

  List of functions and offices having expired during the last five years
  None

- **Michel Clair**
  Independent director
  Business address: Klépierre, 21, avenue Kleber, 75116 Paris

  Former student of ENA, Michel Clair was auditor followed by senior advisor for the *Cour des comptes* (1975-91) before taking up various positions within government agencies and several ministries. This latter spell included chief of staff for the Ministry of Trade, Crafts and Services from 1986 to 1988. In 1991, he joined Compagnie Bancaire, for which he was corporate secretary and member of the management board. Following the Paribas - Compagnie Bancaire merger, he became a member of the executive committee of Paribas, in charge of real estate and shared services. In 1996 he joined the Klépierre group as member of the Board of Directors and was appointed Chairman the following year. From 1998 to 2008 he was CEO, and since 2008 he has been Chairman of the Supervisory Board.

  List of functions and offices exercised as of the Base Document Date

  Principal function
  - Chairman of the Klépierre Supervisory Board

  Other offices within the Group
  None

Other offices outside the Group
- Chairman of the Supervisory Board: SCA Klémurs, SCS Ségécé
- Chairman of the Board of Directors: SGRHVS
- Chairman: SAS Astria Développement, SAS RHVS 1% Logement
- Director: France-Habitation SA HLM, GIE Astria, Omnium de Gestion Immobilière de l'Ile-de-France, Pax-Progrès-Pallas SA HLM, Domaxis SA HLM

List of functions and offices having expired during the last five years

- Chairman of the management board: Klépierre
- Chairman: SAS Valéry Développement

- **Jacques Veyrat**
  Independent director
  Business address: Impala SAS, 7 rue Kepler, 75116 Paris

Former student of Ecole Polytechnique and Ecole des Ponts et Chaussées de Paris, Jacques Veyrat began his career with the French government Treasury before taking up various positions with ministerial offices. In 1995, he joined the Louis Dreyfus group where he had various management responsibilities, notably within Louis Dreyfus Armateurs. From 1998 to 2005, Jacques Veyrat was Chairman and CEO of Neuf Telecom and then group Chairman and CEO of Neuf Telecom Cegetel (following the Neuf Telecom and Cegetel merger) until April 2008. He then became Louis Dreyfus group Chairman. Following the restructuring of the Louis Dreyfus group in summer 2011, Jacques Veyrat was appointed Chairman of Louis Dreyfus SAS, which changed its name to Impala SAS.

List of functions and offices exercised as of the Base Document Date

Principal function
- Chairman: Impala SAS

Other offices within the Group
None

Other offices outside the Group
- Chairman: Kurosawa BV (Netherlands)
- Director: Direct Energie, Neon, HSBC France, Imerys
- Member of the Supervisory Board: Eurazeo

List of functions and offices having expired during the last five years

- Chairman and Chief Executive Officer: Neuf Telecom
- Chief Executive Officer: Louis Dreyfus SAS, Louis Dreyfus Technologies
- Director: Irise, SHD, Tajan
- Member of the Supervisory Board: Altamir Amboise, Amboise Investissement, Jet Multimedia
- Permanent representative for Neuf Telecom: Chairman of Wengo, director of LD Collectivités

14.2 CONFLICTS OF INTEREST AMONG MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES AND GENERAL MANAGEMENT

As of the Base Document Date, the Chairman and CEO and the directors, who make up the management team, are direct or indirect shareholders in the Company and/or holders of securities giving access to the Company's capital, with the exception of Mr. Michel Clair and Mr. Jacques Veyrat.

There is no potential conflict of interest among the members of the administrative and management bodies and general management.

As of the Base Document Date, there is:

- no arrangement or agreement with the principal shareholders or with any customers, suppliers or other persons whereby any of the persons listed in subsection 14.1.1 "Members of the Board of Directors" has been selected as a member of the Board of Directors.
- no restriction applicable to any of the persons listed in subsection 14.1.1 "Members of the Board of Directors" regarding the sale or transfer, after a specific period of time, of their share in the issuer's capital stock.

There are related party agreements which are described under sections 16.2 "Contracts between directors and the Company" and 19.2 "Transactions with related parties".

There are no potential conflicts of interest among members of the administrative and management bodies.

15 REMUNERATION AND BENEFITS

15.1 DIRECTORS' REMUNERATION

Until June 21, 2010, the Company was incorporated as a *société par actions simplifiée* (French simplified joint stock company). For purposes of clarity, the figures below represent full year remuneration regardless of the date when the Company was transformed into a *société anonyme* (French joint stock company).

As of the Base Document Date, no director’s fees have been paid to directors since the Company was transformed into a *société anonyme* (French joint stock company). However, subject to approval by a future general meeting, the Company plans to pay director’s fees in future years.

The tables and explanations below cover all remuneration paid by the Group and, where applicable, by the parent company or sister companies.

- Remuneration of Mr. Eric Hémar

  Eric Hémar does not receive any remuneration from the Group. He receives remuneration from the company Comète, in which he holds a 95.97% equity stake (the remainder being held by his wife and children), and which has signed services agreements with various Group subsidiaries. Comète is a family-owned wealth management company. Its equity stake in Immod is its sole financial contribution and Eric Hémar is its sole director.

  The services specified in the aforementioned agreements include management related to strategy and sales growth. In respect of 2011, these agreements are described under section 16.2 "Contracts between directors and the Company" of the Base Document.

  The services mentioned above are remunerated via fees including a fixed part amounting to €361,000 paid in 2010 and a variable part amounting to €154,000 in respect of 2010, which was paid in 2011. In 2009, Comète received fixed remuneration of €361,000. The variable remuneration for 2009 amounted to €154,000 and was paid in 2010. In 2009, as in 2010, the variable part of Comète’s remuneration is performance-related, based on achievement of the Group’s growth targets in terms of new market openings, income growth and acquisitions.

  The table below specifies remuneration paid by Comète to Eric Hémar in respect of his position as general manager of Comète. Over the reporting period, Comète did not pay out any dividend.

	2010		2009	
€	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	150,000	150,000	150,000	150,000
Variable remuneration	-	-	-	-
Non-recurring remuneration	-	-	-	-
Benefits in kind	-	-	-	-
Subtotal	150,000	150,000	150,000	150,000
Value of stock options granted during the year	-	-	-	-
Value of performance shares granted during the year	-	-	-	-

Total	150,000	150,000	150,000	150,000

It is also specified that the departure of Mr. Hémar would not *per se* entail the automatic and immediate termination of the services agreements concluded with Comète. Nevertheless, all of these agreements could be terminated by the respective Group companies, subject to a three-month notice period.

- Remuneration for Immod

The Company may not and has not paid any remuneration to Immod in respect of its position as director for fiscal 2009 and 2010.

The table below sets out the remuneration the Group has paid to Christophe Satin, Group Senior Vice President and permanent representative for Immod on the Company's Board of Directors. This remuneration includes both a fixed part and a variable part. The variable part is based on financial performance criteria and personal objectives. Achievement of these objectives is measured and established when the financial statements for the year in question have been approved and all items included in the calculation are known. Consequently, the variable part in respect of a fiscal year is not paid until the following year. This remuneration is determined by Mr. Eric Hémar.

	2010		2009	
€	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	198,391	198,391	187,714	187,714
Variable remuneration	100,000	90,000	90,000	90,000
Non-recurring remuneration	-	-	-	10,000
Benefits in kind	-	-	-	-
Subtotal	298,391	288,391	277,714	287,714
Value of stock options granted during the year	-	-	-	-
Value of performance shares granted during the year	-	-	-	-
Total	298,391	288,391	277,714	287,714

- Remuneration of Mr. Nicolas Derouin

Nicolas Derouin's remuneration includes both a fixed part and a variable part. The variable part is based on financial performance criteria and personal objectives. Achievement of these objectives is measured and established when the financial statements for the year in question have been approved and all items included in the calculation are known. Consequently, the variable part in respect of a fiscal year is not paid until the following year. This remuneration is determined by Mr. Christophe Satin in consultation with Mr. Eric Hémar.

	2010		2009	
€	Amount due	Amount paid	Amount due	Amount paid

Fixed remuneration	120,000	120,000	110,000	110,000
Variable remuneration	40,000	36,667	36,667	36,667
Non-recurring remuneration	-	-	-	-
Benefits in kind	38,228	38,228	32,182	32,182
Subtotal	198,228	194,895	178,849	178,849
Value of stock options granted during the year	-	-	-	-
Value of performance shares granted during the year	-	-	-	-
Total	198,228	194,895	178,849	178,849

- Remuneration of the other directors

  In respect of fiscal 2009 and 2010, the Company may not and has not paid any remuneration to the other directors given that their terms of office began with effect from June 22, 2011.

- Director's fees

  With effect from fiscal 2011, the September 14, 2011 Board of Directors meeting proposed that the next ordinary shareholders' general meeting allocate a €50,000 package, from which €10,000 would be paid to each director. This fee is broken down into two parts:
    - €5,000 fixed amount (or accrued portion thereof if the term of office began or expired during the year)
    - €5,000 variable amount in accordance with the rate of attendance at Board meetings during the year

15.2 AMOUNTS ACCRUED BY THE COMPANY FOR PAYMENT OF PENSIONS AND OTHER BENEFITS TO THE EXECUTIVE DIRECTORS

Executive Director	Employment contract	Supplementary pension scheme	Indemnities or benefits that may be due upon change or expiry of office	Indemnities relating to non-compete clause
Eric Hémar Chairman and CEO	No	No	No	No
Christophe Satin Senior Vice President	Yes	No	No	No

The Company has not made any accruals for payment of pensions and other benefits to the executive directors.

The Company has not granted any golden hellos or golden parachutes to the directors and senior executives.

15.3 SECURITIES GIVING ACCESS TO THE CAPITAL GRANTED TO THE DIRECTORS

As of the Base Document Date, Immod, which holds 47.24% of the Company's capital stock, held 155,520 equity warrants, for which the key terms and conditions are as follows:

- Issue date: October 13, 2008, amended June 21, 2010
- Number of shares that may be issued on exercise of the equity warrants: 1 share of common stock for 1 warrant
- Subscription price per share for shares issued on exercise of the equity warrants: €9
- Timing of exercise of warrants: all exercisable as of the Base Document Date
- Last date for exercising warrants: not applicable
- As of the Base Document Date:
    - Number of equity warrants exercised: none
    - Number of equity warrants cancelled or void: none
    - Remaining number of equity warrants: 155,520

16 OPERATION OF THE COMPANY'S ADMINISTRATIVE AND MANAGEMENT BODIES

16.1 COMPANY MANAGEMENT

By decision of the shareholders' general meeting dated June 21, 2010, the Company was transformed into a *société anonyme* (French joint stock company). The individual members of the Board of Directors are given under section 14.1 "Powers of the Board of Directors" of the Base Document.

During the year ended December 31, 2010, the Company Board of Directors met on one occasion on June 21, 2010 following the shareholders' general meeting that had voted the transformation into a *société anonyme* and had appointed the directors. All directors attended this meeting.

By decision dated June 21, 2010, the Company Board of Directors appointed Mr. Eric Hémar as Chairman and Chief Executive Officer.

16.2 CONTRACTS BETWEEN DIRECTORS AND THE COMPANY

As of the Base Document Date, there were three services agreements indirectly between Eric Hémar and ID Logistics via the company COMETE. These agreements have an unlimited term with a three month notice period and have the following financial terms and conditions:

Company	Purpose	Fixed fee (€)	Variable fee* (€)
ID Logistics Group SA	General management, man management and strategic oversight, notably abroad	121,000	100,000
ID Logistics France SAS	Commercial development, human resources management	150,000	54,000
La Fleche SAS	Corporate relations, professional organizations, commercial development	90,000	-
Total		361,000	154,000

(*) *The variable fee, if applicable, will be paid in 2012.*

16.3 SPECIALIST COMMITTEES - CORPORATE GOVERNANCE

At their September 14, 2011 Board of Directors meeting, the directors decided to introduce an audit committee, subject to the Company's shares being admitted for trading on the NYSE Euronext regulated market in Paris.

- Audit committee members

  The audit committee has two members, who are independent directors and are appointed by the Board of Directors. All audit committee members have expertise in financial matters.

As of the Base Document Date, the audit committee members are as follows:
- Michel Clair, Chairman of the audit committee
- Jacques Veyrat

- Objectives

The audit committee's objective is to issue opinions or recommendations to the Board of Directors with regard to the accounts, internal and external audit and the Group's financial policies, while ensuring that information provided to shareholders and the market is reliable and clear. To fulfill its mission, the audit committee:
- reviews accounting principles and methods adopted in the preparation of the individual and consolidated financial statements that are submitted to the Board of Directors, ensuring they are appropriate, consistently applied and that any proposed changes are properly justified;
- reviews draft annual and half-year individual and consolidated financial statements prepared by general management before presentation to the Board of Directors.
- reviews draft annual and half-year management reports from the Board of Directors, and all other reports, opinions, statements or other documents containing accounting or financial information, the publication of which is compulsory under current regulations, before their publication, as well as all accounts prepared for purposes of specific material transactions such as capital contributions, mergers, market transactions and payment of interim dividends etc.
- reviews the company consolidation scope and, if applicable, the reasons for excluding certain companies, changes in consolidation scope and the impact thereof;
- reviews material off-balance sheet risks and commitments;
- verifies that in-house data collection and checking procedures ensure that the data is accurate, rapidly reported and appropriate;
- every year reviews with internal audit managers and the statutory auditors their audit plans, the conclusions of their audits, their recommendations and the follow-up action taken;
- interviews internal audit managers and control managers from the finance department and issues an opinion on the department's organization;
- conducts the procedure for selecting the statutory auditors prior to their appointment or reappointment and oversees compliance with rules, principles and recommendations ensuring their independence;
- issues an opinion on the fees the statutory auditors request to undertake their statutory audit of the financial statements and any other engagement;
- if applicable, authorize, in advance, engagements for the statutory auditors to perform outside their statutory financial audit responsibilities, which must be related or complementary to their statutory financial audit responsibilities, such as due diligence on acquisitions, but which exclude any valuation or consulting engagements;
- reviews regulated agreements requiring the prior approval of the Board of Directors;
- monitors the efficacy of the risk management system; and
- reviews any financial or accounting issue submitted to it by the Board of Directors or its Chairman, and issues, in particular, an opinion on any planned new share issue or issue of securities or borrowings.

- Operations

The audit committee meets at least three times per year based on a timetable established by the committee Chairman, which must give the committee time at least to review the annual and half-year consolidated financial statements, the Group budget and the internal and external audit plan.

The audit committee may interview any member of the Company Board of Directors and arrange for the performance of any internal or external audit on any subject that, in its opinion, falls within its mission. The audit committee Chairman informs the Board of Directors thereof in advance. In particular, the audit committee is entitled to interview people who take part in the preparation of the financial statements or the audit thereof, including the Chief Administrative and Financial Officer and the main managers of the finance department. The audit committee interviews the statutory auditors in the presence of a Company representative or not.

The audit committee Chairman reports on the committee's work to the Board of Directors. If, in the course of its work, the audit committee detects a material risk that it considers is not managed properly, the Chairman notifies the Chairman of the Board of Directors thereof without delay.

16.4 CORPORATE GOVERNANCE DECLARATION

For purposes of transparency and keeping the public informed, the Company has launched a global review of corporate governance practices with a view to having Company shares admitted for trading on the NYSE Euronext stock market.

The Company plans to refer to the MiddleNext corporate governance code for listed companies insofar as the principles contained therein are compatible with the Company's organization, size, resources and shareholder structure, in particular with regard to the preparation of the report of the Chairman of the Board of Directors pursuant to the provisions of Article L. 225-37 of the French commercial code.

MiddleNext code recommendations	Will be adopted	Will not be adopted	Under consideration
I. Executive powers			
R 1: Combining employment contract and directorship		X	
R 2: Definition and transparency of directors' remuneration	X		
R 3: Severance pay	X		
R 4: Additional pension schemes	X		
R 5: Stock options and bonus shares			X
II. Supervisory Board powers			
R 6: Introduction of bylaws for the board	X		
R 7: Ethics for board members	X		
R 8: Board members: presence of independent directors on the board	X		
R 9: Choice of directors	X		
R 10: Term of office for board members	X		
R 11: Information for board members	X		
R 12: Introduction of committees	X		

R 13: Board meetings and committees		X
R 14: Directors' remuneration	X	
R 15: Introduction of evaluations of the board's work	X	

16.5 CHAIRMAN'S REPORT ON INTERNAL CONTROLS

The Company's legal status was a *société par actions simplifiée* (French simplified joint stock company) until June 21, 2010, when it was transformed into a *société anonyme* (French joint stock company). As a *société anonyme* whose stock was not admitted for trading on a regulated market, the Company was not obliged to issue a report on internal controls in respect of the years ended December 31, 2010, December 31, 2009 and December 31, 2008.

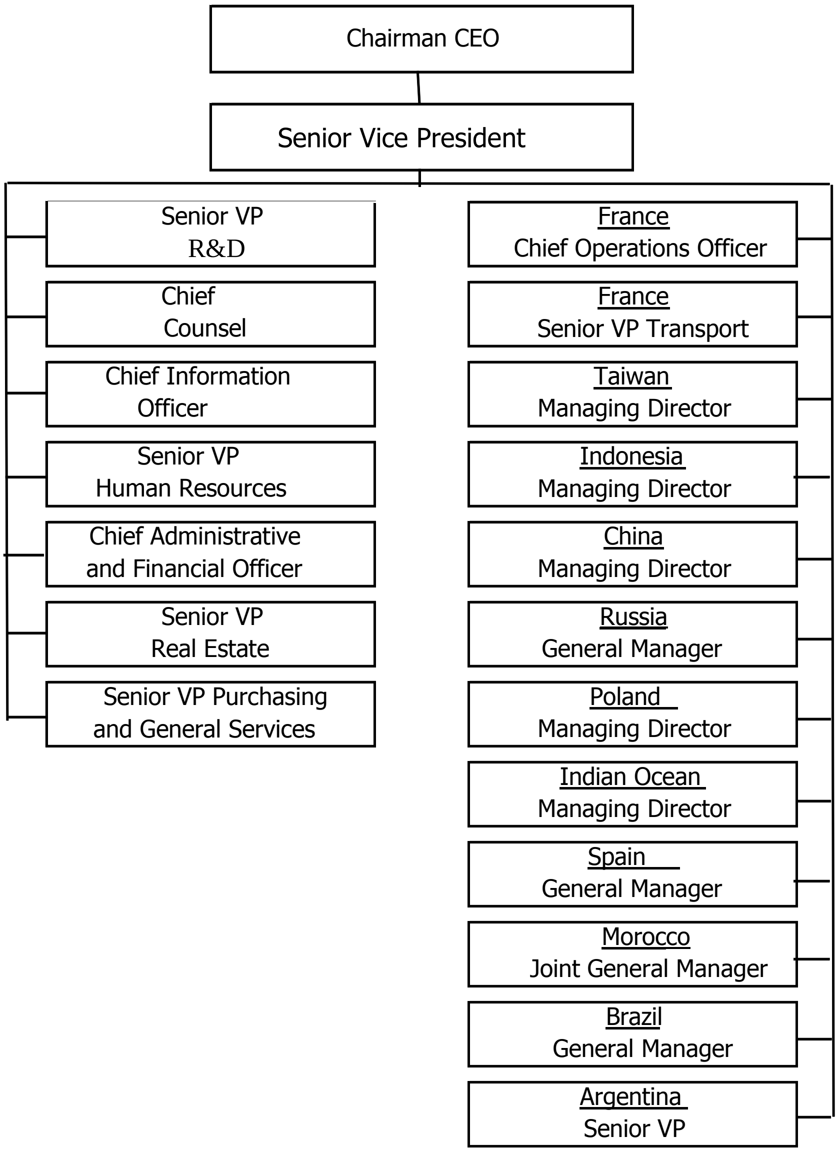
With effect from the Company's shares being admitted for trading on the regulated market of NYSE Euronext in Paris, the Company's Chairman of the Board of Directors will prepare a report, pursuant to the provisions of Article L. 225-37 of the French commercial code, on the members, the conditions for preparing and organizing the work of the Board of Directors and internal control and risk management procedures that the Company has implemented.

17 SALARIES

17.1 HUMAN RESOURCES

17.1.1 Operational organization chart

As of the Base Document Date, the Group organization chart was as follows:



The Group's senior managers all come with major experience in their respective fields.

17.1.2 Number and breakdown of headcount

As of the balance sheet dates of the reported fiscal years, the Group's employee headcounts were as follows:

	12/31/2010	12/31/2009	12/31/2008
France	2,563	2,115	1,911
International	4,299	3,706	3,201
Total	6,862	5,821	5,112
Managers	252	230	220
Non-managers	6,610	5,591	4,892
Total	6,862	5,821	5,112

In addition to its own employees, the Group uses temporary workers, who in 2010 accounted for 24% of the Group's total headcount used.

17.2 DIRECTORS' STOCK OPTIONS AND EQUITY HOLDINGS

As of the Base Document Date, members of the Board of Directors held direct and indirect equity investments and securities giving access to the Company's capital as follows:

Directors	Shares and voting rights		
	Number	% equity	% voting rights
Eric Hémar	648,230	31.58%	41.86%
Immod(1), represented by Christophe Satin(2)	969,749	47.24%	32.84%
Nicolas Derouin	35,350	1.72%	2.06%
Michel Clair	-	-	-
Jacques Veyrat	-	-	-

(1) At the Base Document Date, 85.87% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar, via Comète, and 14.13% by Mr. Christophe Satin.
(2) At the Base Document Date, Christophe Satin directly held 4.09% of the Company's capital stock and 5.42% of the voting rights.

Other than the direct holding stated above, at the Base Document Date Immod held 155,520 equity warrants, the principal terms and conditions of which are detailed in sub-section 21.1.4 "Securities giving entitlement to equity" under Chapter 21 "Additional Information". Each warrant gives the holder the right to subscribe to one share, which at the Base Document Date represents a potential maximum equity dilution of 7.04%.

17.3 EMPLOYEE HOLDINGS OF COMPANY SHARES

At the Base Document Date and as specified under Chapter 18.1 "Breakdown of capital stock and voting rights" of the Base Document, Group managers hold a total of 20.61% of the Company's capital stock. Each manager is responsible for his or her own holdings and there is no collective scheme for equity holdings.

Subject to the Company having its shares admitted for trading on the regulated market of NYSE Euronext in Paris, the Company will introduce a collective employee plan for future equity holdings, the details of which have not yet been determined as of the Base Document Date.

17.4 INCENTIVE AND PROFIT SHARING AGREEMENTS

There is no Group employee incentive agreement. However, there exist various incentive agreements within the main French subsidiaries. Similarly, while there is no Group employee profit sharing agreement, there exist profit sharing agreements within the main French subsidiaries.

The amounts recorded by the Group in France in respect of the employee incentive and profit sharing agreements are as follows:

€000	2010	2009	2008
Incentives	819	673	553
Profit share	539	473	354

18 PRINCIPAL SHAREHOLDERS

18.1 BREAKDOWN OF CAPITAL AND VOTING RIGHTS

The Company's capital stock and voting rights as of the Base Document Date are detailed in the following table:

Shareholders	Shares and voting rights		
	Number	% equity	% voting rights
Immod [(1)]	969,749	47.24%	32.84%
Eric Hémar [(1)]	648,230	31.58%	41.86%
Christophe Satin [(1)]	83,910	4.09%	5.42%
Michel Vinoche	73,680	3.59%	4.76%
Others [(2)]	277,361	13.50%	15.36%
TOTAL	2,052,930	100%	100%

[(1)] 85.87% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar, via Comète, and 14.13% by Mr. Christophe Satin.
[(2)] The other shareholders are present or former Group employees, none of whom individually hold more than 2% of the capital stock and voting rights.

18.2 SIGNIFICANT SHAREHOLDERS NOT REPRESENTED ON THE BOARD OF DIRECTORS

Not applicable.

18.3 VOTING RIGHTS OF THE PRINCIPAL SHAREHOLDERS

Pursuant to Article 25 of the Company's bylaws, each Company share gives one voting right. However, a double voting right compared to other shares with the same proportion of the equity is granted to all fully paid-up shares, which can be proved to have been registered in the name of the same shareholder for at least the last four consecutive years.

18.4 CONTROL OF THE COMPANY

As of the Base Document Date, Eric Hémar held:
- 31.58% of the Company's capital stock and 41.86% of the voting rights directly, and
- 40.56% of the Company's capital stock and 32.84% of the voting rights indirectly via Immod, in which he indirectly holds 85.87% of the capital via Comète.

Eric Hémar therefore held 72.14% of the Company's capital stock and 74.70% of the voting rights indirectly or directly.

The Company has not taken steps to ensure that this control is not exercised in an abusive manner.

There are currently shareholders agreements that will become void as from the date when the Company's shares are admitted for trading on the NYSE Euronext market in Paris. With effect from the date when the Company's shares are admitted for trading on the NYSE Euronext market in Paris, new shareholders agreements between Eric Hémar and the Company shareholders listed under Chapter 18.1 "Breakdown of capital stock and voting rights", representing 21.18% of the Company's capital as of the Base Document Date, will take effect. Under the new shareholders agreements, Eric Hémar will have a priority right to acquire shares should the other shareholders sell or transfer their shares. This shareholders agreement will be concluded between Christophe Satin, Michel Vinoche (former ID Logistics Chief Operations Officer France, currently director of ID Logistics' operations in Russia) and existing and former Group employees. Most of these people became shareholders in 2006, when the Banque Lazard equity stake was purchased by the managers (see Section 5.1 "History and development of the Company"). There is no family bond or common interest between the directors and these persons that could be deemed acting in concert.

Shareholders bound by the aforementioned shareholders agreement must notify Eric Hémar of their plan to sell or transfer their shares specifying the number of shares, the manner of sale or transfer, details of the intended transferee and price and terms of sale or transfer. The priority purchase right shall be exercised, if applicable, within three days from receipt of the notification.

Moreover, in view of the relations existing between Messrs Hémar and Satin since the Company's incorporation, their respective offices and their common status as shareholders of Immod, itself a shareholder of the Company, Messrs Hémar and Satin and Immod intend to formalize their relationship by signing a unanimous shareholders agreement prior to the IPO.

18.5 AGREEMENT THAT MAY RESULT IN A CHANGE OF CONTROL

There is no particular clause in the Company's deed of incorporation, bylaws, any charter or regulations that could result in delaying, postponing or preventing a change in control of the Company.

To the Company's knowledge, the Company's shareholders do not act in concert as of the Base Document Date.

18.6 STATEMENT OF PLEDGES

Not applicable.

19 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are specified under Note 22 to the 2010 and 2009 consolidated financial statements within section 20.1 "Annual historic financial information” of the Base Document. Current regulated agreements are given in the special reports of the statutory auditors presented below.

Since the 2010 special report of the statutory auditors was prepared, new regulated agreements have been signed as described under section 16.2 "Contracts between directors and the Company". These agreements were submitted for the Board of Directors' approval on September 14, 2011.

19.1 INTER-COMPANY TRANSACTIONS

Inter-company transactions are described under section 7.3 "Principal inter-company flows" of the Base Document.

19.2 TRANSACTIONS WITH CORPORATE OFFICERS

As stated in Note 22 to the consolidated financial statements, the transactions concluded with Immod and Les Parcs du Lubéron Gestion relate to interest on finance and the provision of services. The interest on finance relates to a payable of ID Logistics owing to its shareholder Immod, amounting to €0.7 million as of January 1, 2010, which is subject to interest at a market rate. The services provided concern the recharging of part of the costs of two ID Logistics France employees who carry out occasional administrative assignments for Immod and Les Parcs du Lubéron Gestion. Immod is a company that provides research, expert assessment, technical support, project management and engineering consulting for industrial building projects and, in general, all operations related to transactions involving real estate and business undertakings. Immod may be called upon to carry out occasional consulting assignments in relation to real estate projects implemented by subsidiaries of the ID Logistics Group.

Also refer to section 16.2 "Contracts between directors and the Company" of the Base Document and Note 22 to the consolidated financial statements presented in Chapter 20.

19.3 REPORTS OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS PREPARED IN RESPECT OF THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

19.3.1 Special report on regulated agreements - fiscal 2010

"In our capacity as statutory auditors of the Company, we hereby submit our report on regulated agreements.

It is our responsibility to communicate to you, based on information given to us, the principal terms and conditions of the agreements notified to us or that we discovered during our engagement; we do not have to comment on their usefulness or justification or to search for other agreements. It is your responsibility, in accordance with Article R. 225-58 of the French commercial code, to assess the reason for signing these agreements in order to approve them.

It is also our responsibility to report to you any information required under Article R. 225-31 of the French commercial code relating to transactions undertaken during the past year in conjunction with agreements that the general meeting has approved in prior years.

We carried out the work that we considered necessary pursuant to professional standards of the French national Auditors Association relating to this engagement.
We hereby state that we have not been given notice of any agreement authorized during the past year requiring approval from the general meeting pursuant to the provisions of Article L.225-38 of the French commercial code.

We hereby state that we have not been given notice of any agreement previously authorized by a general meeting, for which transactions continued during the past year.

Paris and Neuilly-sur-Seine, June 6, 2011
The Statutory Auditors
Philippe Joubert Deloitte & Associés
Represented by
Albert Aidan"

19.3.2 Special report on regulated agreements - fiscal 2009

"In my capacity as statutory auditor of the Company, I hereby submit a report on regulated agreements of which I have been notified. It does not fall within the scope of my engagement to search for the existence of any such agreements.

I hereby state that I have not been given notice of any agreement specified under Article 227-10 of the French commercial code.

Paris, June 4, 2010
The Statutory Auditor
Philippe Joubert"

19.3.3 Special report on regulated agreements - fiscal 2008

"In my capacity as statutory auditor of the Company, I hereby submit a report on regulated agreements of which I have been notified. It does not fall within the scope of my engagement to search for the existence of any such agreements.

I hereby state that I have not been given notice of any agreement specified under Article 227-10 of the French commercial code.

Paris, June 5, 2009
The Statutory Auditor
Philippe Joubert"

20 FINANCIAL INFORMATION CONCERNING THE ASSETS, LIABILITIES, FINANCIAL POSITION AND RESULTS OF THE ISSUER

20.1 ANNUAL HISTORIC FINANCIAL INFORMATION

20.1.1 2010 and 2009 Group consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	2010	2009	2008
Revenues		386,240	309,810	299,787
Purchases and external charges		(199,462)	(158,167)	(161,930)
Staff costs		(155,917)	(125,339)	(113,826)
Miscellaneous taxes		(6,516)	(7,314)	(7,082)
Other underlying income (expenses)		1,212	1,568	(1,499)
Net depreciation/impairment		(12,754)	(10,625)	(9,586)
Net (increases) write-backs to provisions		(306)	(764)	321
Operating income		12,497	9,169	6,185
Financial income	Note 17	653	224	549
Financial expenses	Note 17	(4,789)	(3,717)	(4,039)
Group income before tax		8,361	5,676	2,695
Corporate income tax	Note 18	(3,225)	(1,666)	(259)
Share of earnings of equity affiliates		(141)	287	63
Total consolidated net income		4,995	4,297	2,499
Of which minority interests		626	2,296	1,252
Of which Group share		4,369	2,001	1,247
Earnings per share, Group share				
Basic EPS (€)	Note 19	2.13	1.52	0.96
Diluted EPS (€)	Note 19	1.98	1.40	0.89

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€000)	2010	2009	2008
Total consolidated net income	4,995	4,297	2,499
Exchange differences	770	511	(190)
Taxation on foreign exchange differences	(59)	(186)	54
Total gains and losses posted to shareholders' equity net of tax	711	325	(136)
Comprehensive net income	5,706	4,622	2,363
Of which minority interests	795	2,182	1,171
Of which Group share	4,911	2,440	1,192

CONSOLIDATED BALANCE SHEET

(€000)	Notes	12/31/2010	12/31/2009	12/31/2008
Goodwill	Notes 1 - 3	59,369	59,369	32,997
Intangible assets	Note 1	1,923	2,093	1,773
Property, plant and equipment	Note 2	59,918	25,486	23,290
Investment in equity affiliates	Note 4	1,032	1,158	433
Other non-current financial assets	Note 5	1,720	647	1,394
Deferred tax assets	Note 12	7,408	7,357	8,728
Non-current assets		131,370	96,110	68,615
Inventories	Note 6	449	328	207
Trade receivables	Note 7	62,350	49,954	47,783
Other receivables	Note 7	17,692	13,541	13,250
Other current financial assets	Note 5	2,517	3,011	14,780
Cash and cash equivalents	Note 8	15,099	11,212	7,452
Current assets		98,107	78,046	83,472
Total assets		229,477	174,156	152,087
Capital stock	Note 9	2,053	2,053	1,296
Additional paid-in capital	Note 9	22,887	22,887	-
Exchange differences		647	105	(76)
Consolidated reserves		8,624	6,636	5,389
Net income for the year		4,369	2,001	1,247
Shareholders' equity, Group share		38,580	33,682	7,856
Minority interests		2,444	1,954	8,325
Shareholders' equity		41,024	35,636	16,181
Borrowings (due in over 1 yr)	Note 10	41,488	9,823	8,717
Long-term provisions	Notes 11 - 16	1,130	889	704
Deferred tax liabilities	Note 12	356	477	477
Non-current liabilities		42,974	11,189	9,898
Short-term provisions	Note 11	7,584	6,198	5,378
Borrowings (due in less than 1 yr)	Note 10	13,361	23,879	21,871
Other current financial liabilities	Note 14	748	589	26
Bank overdrafts	Note 8	1,819	1,000	1,397
Trade payables	Note 13	49,496	42,754	41,372
Other payables	Note 13	72,471	52,911	55,964
Current liabilities		145,479	127,331	126,008
Total liabilities and shareholders' equity		229,477	174,156	152,087

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	Note	2010	2009	2008
Net income		4,995	4,297	2,499
Net depreciation, impairment and provisions		13,302	11,708	9,403
Fair value adjustments on financial instruments	Note 14	157	562	83
Share of undistributed earnings of equity affiliates		126	(249)	10
Change in working capital	Note 20	9,452	(3,593)	11,507
Net cash flows from operating activities after net cost of debt and tax		28,032	12,725	23,502
Corporate income tax	Note 18	3,225	1,666	259
Net financial costs from financing activities	Note 17	3,504	2,767	3,361
Net cash flows from operating activities before net cost of debt and tax		34,761	17,158	27,122
Tax paid		(2,928)	(542)	541
Net cash flow from operating activities		31,833	16,616	27,663
Purchase of intangible assets and PP&E	Notes 1 - 2	(46,197)	(14,295)	(11,291)
Purchase of financial assets		(1,417)	(176)	(625)
Fixed asset payables		(124)	(676)	276
Purchase of subsidiaries net of cash acquired		910		
Sale of intangible assets and PP&E		2,332	1,333	156
Sale of financial assets		465	925	2,757
Net cash flow from investing activities		(44,031)	(12,889)	(8,727)
Net financial costs from financing activities	Note 17	(3,504)	(2,767)	(3,361)
Loans received		42,216	20,598	14,826
Loan repayments		(23,311)	(17,486)	(28,277)
Distribution of dividends to minority interests		(305)		
Net cash flow from financing activities		15,096	345	(16,812)
Exchange gains (losses)		170	85	121
Net underlying change in cash and cash equivalents		3,068	4,157	2,245
Opening net cash and cash equivalents	Note 8	10,212	6,055	3,810
Closing net cash and cash equivalents	Note 8	13,280	10,212	6,055

CHANGES IN CONSOLIDATED SHAREHOLDERS’ EQUITY

(€000)	Capital stock	Additional paid-in capital	Consolidation reserves	Exchange differences	Shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
January 1, 2008	1,296		5,403	-	6,699	7,149	13,848
2008 net income			1,247		1,247	1,252	2,499
Gains and losses posted to shareholders’ equity				(76)	(76)	(60)	(136)
Other			(14)		(14)	(16)	(30)
December 31, 2008	1,296	-	6,636	(76)	7,856	8,325	16,181
2009 net income			2,001		2,001	2,296	4,297
Gains and losses posted to shareholders’ equity				181	181	144	325
Capital increase	757	22,887			23,644		23,644
Change in percentage interest					-	(8,830)	(8,830)
Other					-	19	19
December 31, 2009	2,053	22,887	8,637	105	33,682	1,954	35,636
2010 net income			4,369		4,369	626	4,995
Gains and losses posted to shareholders’ equity				542	542	169	711
Distribution of dividends					-	(305)	(305)
Treasury shares			(12)		(12)		(12)
Other			(1)		(1)		(1)
December 31, 2010	2,053	22,887	12,993	647	38,580	2,444	41,024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

ID Logistics Group SA is a *société anonyme* (French joint stock company) subject to French law with head office located at 410, route du Moulin de Losque 84300 Cavaillon. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") carry out their logistics business in France and around ten other countries.

The Group consolidated financial statements for the year ended December 31, 2010 were approved by the Board of Directors on May 4, 2011. Unless otherwise indicated, figures are stated in euro thousands.

2 BASE FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting principles and methods applied

The Group consolidated financial statements for the year ended December 31, 2010 have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), as adopted in the European Union as of December 31, 2010. International accounting principles cover all standards approved by the International Accounting Standards Board ("IASB"), i.e. IFRS, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC"). Said accounting principles can be viewed on the website http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

Some of these accounting standards may be subject to changes or interpretations, for which application may be backdated. Such changes may cause the Group subsequently to modify the consolidated financial statements adjusted to IFRS.

If there are no standards or interpretations applicable to a specific transaction, Group management uses its own judgment to define and apply the accounting principles which result in fair and reliable data so that the financial statements:

- give a fair view of the Group's financial position, results and cash flows;
- reflect the economic substance of the transactions;
- are objective;
- are prudent; and
- are complete in all significant aspects.

2.2 Change in accounting principles

2.2.1 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2010

The Group has applied the following standards, which are compulsory for periods beginning with effect from January 1, 2010:

- IFRS 3 – Business combinations and IAS 27 – Consolidated and separate financial statements, revised. These standards apply for the future and therefore have no impact on combinations completed prior to January 1, 2010. The main changes are as follows:
  - Reductions in the equity interest of a parent company in a subsidiary, which do not result in a loss of control, are posted to shareholders' equity and hence have no impact on consolidated earnings or the other items of comprehensive income;
  - Increases in the equity interest of a parent company in a subsidiary having previously acquired control are posted to shareholders' equity and hence have no impact on consolidated earnings or the other items of comprehensive income;
  - Taking control by steps requires revaluation at fair value of the previously held investment before taking control, with the other accounting entry being posted to consolidated earnings;
  - Changes in equity interest leading to a loss of control require revaluation at fair value of all equity investments held, with the other accounting entry being posted to consolidated earnings;
  - IFRS 3 revised gives the option, for all controlled subsidiaries acquired with less than a 100% interest, to account for goodwill either based on a 100% interest, or based on the interest acquired (without any subsequent change in the event of further acquisitions of interest not giving control);
  - Costs directly linked to an acquisition giving control are posted to expenses for the period.

The European Union's adoption of the following standards and interpretations, which are compulsory as of January 1, 2010, has no material impact on the Group consolidated financial statements:

- IFRS 1 revised – Additional exemptions for first-time adoption of IFRS;

- IFRS 2 revised – Intra-Group share-based payments;

- 2010 improvement to IFRS and an amendment to IFRS 5 contained in the 2008 improvements to IFRS;

- IAS 39 revised – Eligible hedged items;

- IFRIC 17 – Distribution of non-cash assets to owners;

- IFRIC 18 - Transfers of assets from customers.

The principles applied do not differ from IFRS as published by the IASB insofar as the following interpretations, which are endorsed by the European Union and for which the compulsory date of application differs from the date of application as published by the IASB, have no impact on the Group consolidated financial statements:

- IFRIC 12 – Service concession arrangements, which is compulsory for periods beginning with effect from March 30, 2009;

- IFRIC 16 – Hedges of a net investment in a foreign operation project, which is compulsory for periods beginning with effect from July 1, 2009;

- IFRIC 15 – Agreements for the construction of real estate, which is compulsory for periods beginning with effect from January 1, 2010;

2.2.2 New standards, amendments and interpretations adopted by the European Union for fiscal years beginning 2011

The Group has not applied in advance standards and interpretations which were not compulsory as of January 1, 2010.

- **Standards, amendments and interpretations adopted by the European Union at the balance sheet date**
  • IFRS 1 revised – Exemption from comparative data disclosure under IFRS 7 for first time adoption of IFRS (applicable for periods beginning with effect from July 1, 2010). This standard will have no impact on the Group financial statements;
  • IFRIC 19 – Extinguishing financial liabilities with equity instruments (applicable for periods beginning with effect from July 1, 2010). This standard will have no impact on the Group financial statements;
  • IFRIC 14 revised – Prepayments of a minimum funding requirement (applicable for periods beginning with effect from January 1, 2011). This standard will have no impact on the Group financial statements;
  • IAS 24 revised – Related party disclosures (applicable for periods beginning with effect from January 1, 2011). This standard will have no impact on the Group financial statements;
  • IAS 32 amendment – classification of rights issues (applicable for periods beginning with effect from February 1, 2010). This standard will have no impact on the Group financial statements;
- **Standards, amendments and interpretations not adopted by the European Union at the balance sheet date**
  • IFRS 9 – Financial instruments, which was published by the IASB in November 2009 and applicable for periods beginning with effect from January 1, 2013.
  • Improvements to IFRS, a paper published by the IASB in May 2010 and applicable depending on the standards for periods beginning with effect from either July 1, 2010 or January 1, 2011;
  • Amendments to IFRS 7 – Disclosures - Transfers of financial assets, published by the IASB in October 2010 and applicable for periods beginning with effect from July 1, 2011;
  • Amendments to IFRS 1 – Serious hyperinflation and elimination of firm dates of application for first-time adopters of IFRS, published by the IASB in December 2010 and applicable for periods beginning with effect from July 1, 2011;
  • Amendments to IAS 12 – Deferred tax - recovery of underlying assets, published by the IASB in December 2010 and applicable for periods beginning with effect from January 1, 2012.

2.3 Underlying accounting convention

The consolidated financial statements have been prepared pursuant to the historical cost convention with the exception of certain assets and liabilities in accordance with IFRS rules. The assets and liabilities in question are mentioned in the notes below.

2.4 Estimates and judgments

To prepare the accounts, the Group makes estimates and assumptions, which affect the financial statements. The Group reviews its estimates and assumptions on a regular basis to take account of past experience and other factors considered relevant in view of economic conditions. Depending on how these assumptions evolve and on various conditions, the actual amounts or the amounts recorded in future financial statements may differ from the current estimates.

The principal estimates made by the Group to prepare the financial statements relate to the valuation and estimated useful lives of intangible and other assets and property, plant and equipment, the value of provisions for contingencies and other operating provisions, the valuation of recorded deferred tax assets and assumptions adopted to calculate staff benefit liabilities.

- **Presentation principles**
- Income statement

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated income statement by nature of expenses.

- Balance sheet

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated balance sheet distinguishing between current and non-current assets and between current and non-current liabilities.

The Group's operating assets, cash and cash equivalents and operating financial assets are all stated as current assets. Deferred tax assets and the other assets are stated as non-current assets.

The Group's operating liabilities and payables falling due in the next 12 months are stated as current liabilities. Deferred tax liabilities and the other liabilities are stated as non-current liabilities.

3 HIGHLIGHTS

The main changes in consolidation during the year were as follows:

Start-ups

Late 2010, the Group set up a business in Russia by founding two Russian-registered wholly-owned subsidiaries as follows: ID Logistics Vostok ZAO and its subsidiary ID Logistics Rus O.O.O. Both of these companies are consolidated under the full consolidation method.

ID Logistics Mayotte, a French company incorporated in 2009 which started trading in 2010, was consolidated for the first time during 2010. This wholly-owned subsidiary is consolidated under the full consolidation method.

ID International Dimension Logistic, an Indonesian company incorporated in 2009 which started trading in 2010, was consolidated for the first time during 2010. This wholly-owned subsidiary is consolidated under the full consolidation method.

Acquisitions

France:

- On February 11, 2010, the Group acquired the entire capital of Néo Log, which subsequently changed its name to ID Logistics Champagne. ID Logistics Champagne is consolidated under the full consolidation method.

- On April 22, 2010, the Group acquired the entire capital of Comptoir Général de Logistique et de Services (CGLS). CGLS and its subsidiaries operate a transportation and logistics business. Also on April 22, 2010, the Group acquired the entire capital of SCI Les Citronniers and SCI Les Cocotiers which hold the operating warehouses of CGLS. These subsidiaries are consolidated under the full consolidation method.

International:

- ID Logistics Indian Ocean acquired shares under a stock issue and capital increase in Dislogic, a French company based on the island of La Réunion. This 50%-owned subsidiary is consolidated under the equity method.

4 ACCOUNTING PRINCIPLES AND METHODS

4.1 Consolidation principles and scope

The Group consists of the parent company, ID Logistics Group SA, and its subsidiaries, joint ventures and equity affiliates. The list of companies included in the Group consolidation is given in Note 26. All consolidated companies have the same balance sheet date.

4.1.1 Subsidiaries

The subsidiaries are exclusively controlled by the Group and are consolidated under the full consolidation method. For these purposes, "exclusive control" means the power directly or indirectly to manage the financial and operational policies of a company in order to benefit from its business, which generally arises when the parent company holds more than half of the voting rights. When assessing the degree of control, potential voting rights that are currently valid are taken into account. Control is generally assumed to exist if the Group holds over 50% of the subsidiary's voting rights.

The subsidiaries' financial statements are included in the consolidated financial statements as from the date when exclusive control was acquired and until the date such control is lost.

Material transactions, balances and inter-company profits and losses between consolidated companies are eliminated.

4.1.2 Joint ventures

Joint ventures are legal entities over which the Group exercises joint control with a limited number of other shareholders based on a contractual agreement. Joint ventures are consolidated under the proportional consolidation method, whereby assets, liabilities, income and expenditure are consolidated in proportion to the Group's equity interest.

Material transactions, balances and inter-company profits and losses between consolidated companies are eliminated in proportion to the Group's equity interest.

4.1.3 Equity affiliates

Equity affiliates are legal entities in which the Group exercises significant influence over the financial and operational policies, which generally arises when the parent company holds between 20% and 50% of the voting rights.

Investments in equity affiliates are consolidated under the equity method. Goodwill in respect of equity affiliates is included in the book value of the investment.

4.2 Conversion of foreign currencies

4.2.1 Operating currency and reporting currency

The accounts are maintained in the operational currency of each Group company, i.e. the currency of the principal economic environment in which it operates, which is generally the local currency.

The consolidated financial statements are stated in euros, which is the operational and reporting currency of ID Logistics Group SA, the consolidating company.

4.2.2 Transactions in foreign currencies

Transactions denominated in foreign currencies are converted at the prevailing exchange rate as of the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted at the closing rate. Exchange gains and losses arising are posted to income.

Exchange differences on monetary assets and liabilities linked to a net investment in foreign subsidiaries are posted to currency reserves.

4.2.3 Conversion of subsidiaries' financial statements denominated in foreign currencies

Balance sheets of companies whose operational currency is not euros are converted into euros at closing rate and their income statements and cash flow statements are converted into euros at average rate for the year. The exchange difference arising is posted to shareholders' equity under "Exchange differences". If a company is sold or closed, the related cumulative exchange differences in shareholders' equity are posted to income for the period.

Goodwill is monitored in the currency of the subsidiary concerned.

There are no material Group subsidiaries in a hyperinflation country.

4.3 Business combinations, purchases of further equity interests and sales of equity interests

4.3.1 Business combinations carried out until December 31, 2009

The cost of a business combination equals:

- the fair value, at the date of exchange, of the assets given, the actual or contingent liabilities assumed and the Group's equity instruments issued in consideration for taking control of the company acquired; and

- the value of the costs directly attributable to the business combination.

Any additions to the price for business combinations are included in the cost as of the acquisition date if the value can be reliably measured and it is probable that they will be paid. Any subsequent change in the value of price additions is posted to goodwill.

The difference between the cost of a business combination and the purchaser's share of the net fair value of identified assets and liabilities as of the acquisition date is posted to goodwill. If the difference arising is negative (i.e. negative goodwill) it is posted immediately to income.

If the Group takes control of a company in a single transaction, the share of assets and liabilities attributable to the minority interests is recorded at fair value.

If the Group takes control of a company in steps, fair value adjustments on identified assets and liabilities as of the date of taking control relating to the previously held equity interest are posted to shareholders' equity.

4.3.2 Business combinations since January 1, 2010

At the acquisition date, the goodwill equals the difference between:

- the fair value of the consideration transferred in exchange for control of the company, including any additions to the price, plus the value of the minority interests in the acquired company and, for a business combination performed in steps, plus the fair value at the acquisition date of the purchaser's previously held investment in the acquired company, with the corresponding revaluation via the income statement; and

- the fair value of identifiable assets and liabilities acquired at the acquisition date.

Any additions to the price are thus valued at fair value at the acquisition date. After the acquisition date. they are valued at fair value as of each balance sheet date. Following a one year period with effect from the acquisition date. any subsequent change in fair value is posted to income if the additions to the price are financial liabilities.

If the goodwill is negative, it is immediately posted to income.

Costs directly attributable to the business combination are taken to expenses for the period within financial expenses in the consolidated income statement.

If control but less than 100% interest is acquired, IFRS 3 revised gives the option for any business combination to record goodwill either based on 100% interest, or based on the percentage interest acquired (without subsequent change if there are further purchases of equity interests not giving control). Minority interests in the acquired company are similarly valued either at fair value, or at the share of net identifiable assets of the company acquired.

4.3.3 Further acquisitions of equity interests after taking control

For further acquisitions of equity interests in a subsidiary completed before January 1, 2010, given that IFRS does not offer any guidance on the issue, the Group has decided to apply the following principle:

(1) if the Group subsequently acquires assets and liabilities from the minority interests of a controlled company, there will be no further accounting adjustment to their revalued fair value;

(2) the difference between the acquisition cost and the book value of the assets and liabilities acquired is posted to goodwill.

For further acquisitions of equity interests in a subsidiary completed after January 1, 2010, (IAS 27 revised applies to future acquisitions) without affecting control over this subsidiary, the difference between the purchase price of the investment and the additional share of consolidated equity acquired is posted to shareholders' equity, Group share, without changing the consolidated value of the subsidiary's identifiable assets and liabilities including goodwill. For purposes of the consolidated statement of cash flows, payments for acquisitions paid in cash net of related acquisition costs, are classified as cash flows from financing activities.

4.4 Intangible assets

Intangible assets are stated at cost less cumulative amortization and cumulative impairment.

Intangible assets primarily consist of assets subject to amortization such as software and patents. Intangible assets are amortized in fixed annual amounts over one to five years.

4.5 Property, plant and equipment

Property, plant and equipment is stated at cost less cumulative depreciation and cumulative impairment.

The cost of borrowings taken out to finance major capital expenditure, incurred during the period of construction, is included in the acquisition cost.

Investment grants are recorded as a deduction from the value of property, plant and equipment.

Land is not depreciated. Other property, plant and equipment is depreciated based on the following estimated useful lives:

Buildings	15 to 25 years
Building fixtures and fittings	10 years
Plant, machinery and tools	3 to 10 years
Vehicles	3 to 8 years
IT and office equipment	3 to 8 years

In view of the nature of the assets held, with the exception of buildings, no material asset components have been identified.

4.6 Leases

Pursuant to IAS 17 - Leases, leases are classified under two categories as follows:
- Finance leases
- Operating leases

Finance leases

Finance leases involve the transfer of substantially all risks and rewards of ownership of the assets in question.

Assets under finance leases are initially recorded under balance sheet assets at the lower of (i) the fair value of the leased asset and (ii) the discounted present value of the minimum lease payments under the lease, while posting a corresponding financial liability. Thereafter, balance sheet assets under finance leases are depreciated based on the same estimated useful lives as the other fixed assets in the same category and the payments in respect of the finance lease liabilities are broken down between repayment of the liability and interest costs.

Operating leases

All other leases are operating leases and are not adjusted for accounting purposes. Payments under operating leases are posted to operating expenses in the income statement.

4.7 Impairment of fixed assets

Impairment of property, plant and equipment and intangible assets

Pursuant to IAS 36 Impairment of assets, the Group measures the recoverability of its non-current assets based on the following procedure:

- For depreciated property, plant and equipment and intangible assets, management determines whether there is an indication of loss in value on such assets at each balance sheet date. Indications of loss in value are identified in relation to external or internal criteria. If applicable, an impairment test is carried out by comparing the net book value with the recoverable value, which is the higher of (i) the sales price less future selling costs and (ii) the value in use,
- For goodwill, an impairment test is carried out at least once a year and whenever an indication of loss in value is identified. Goodwill is tested in relation to the geographical region where the relevant business operates.

Value in use is calculated based on the discounted present value of the estimated future cash flows from using the assets. Future cash flows are taken from the three year business plans that are prepared and approved by management, plus a terminal value based on recurring discounted future cash flows including a growth rate to infinity. The discount rate applied represents the Company's post-tax weighted average cost of capital.

Impairment recorded against goodwill cannot be reversed or written back.

Impairment on investments in equity affiliates

Impairment tests on the value of investments in equity affiliates are conducted whenever there is an indication of loss in value. Under these tests, the book value of investments in equity affiliates is compared to the Group share of the present value of future estimated cash flows for the equity affiliate concerned. If the book value of the investment exceeds the present value of future estimated cash flows, an impairment charge for the difference is booked against the value of the investment in the equity affiliate concerned.

Impairment write-backs on intangible assets (other than goodwill), property, plant and equipment and investments in equity affiliates

At every balance sheet date, the Group assesses whether new events or circumstances show that impairment booked in previous periods may be written back.

In this case, if recoverable value based on the new estimates exceeds the net book value of the relevant asset, the Group writes back the impairment for an amount limited to the book value after depreciation that would have resulted had the impairment not been recorded.

4.8 Financial assets

Financial assets are analyzed and classified into the following four categories:

- Financial assets stated at fair value via income including:
    - Financial assets held for trading purposes: a financial asset is classified in this category if it is purchased principally to be resold. The Group has no assets in this category.
    - Financial assets stated at fair value (an option available): the Group has no assets in this category.
    - Derivatives traded for hedging purposes but not documented as such.

- Financial assets held until maturity: these are non-derivative financial assets with fixed or determinable payments and a fixed maturity, which a company can and intends to hold until maturity. The Group has no assets in this category.
- Loans and other receivables: these are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. Loans and other receivables are included within current assets excluding those which mature in over 12 months, which are included under non-current assets. They mainly comprise customer receivables and deposits from the Group's operations.
- Available-for-sale financial assets: these are non-derivative instruments in this category or that cannot be allocated to any other category. This category includes equity securities in non-consolidated companies stated at fair value via shareholders' equity.

All financial assets not recorded at fair value via income are initially recorded at fair value plus transaction costs. Financial assets recorded at fair value via income are initially recorded at fair value and transaction costs are posted to expenses in the income statement. Thereafter they are valued at fair value as of each balance sheet date. Loans and other receivables are subsequently stated at amortized cost under the effective interest rate method.

The receivables are initially valued at fair value, which generally equals the amount invoiced. If they contain beneficial terms of payment for the counterparty (e.g. beneficial credit terms) and if the effect of discounting is material, these receivables are recorded at the present value of future cash flows discounted at market rates. These receivables are subsequently valued at amortized cost.

A bad debt accrual is recorded if there is a risk of non-realization, which is assessed individually based on the ageing of the financial assets.
Financial assets are written off if the right to receive any cash flow from these assets has expired or has been transferred and if the Group has transferred substantially all the risks and rewards of their ownership. If trade receivables are transferred with recourse against the transferor (in the form of a secured deposit or direct recourse) in the event of a payment default by the customer, such trade receivables may not be written off.

Gains and losses resulting from changes in the fair value of financial assets stated at fair value via income are included in income for the period when they arose.
The fair value of listed assets is based on current buy market prices. If there is no active market for a financial asset and in respect of unlisted securities, the Group determines fair value by using valuation techniques. Such valuation techniques include over the counter transactions, other similar instruments or a discounted cash flow analysis using as much market data as possible and not based wherever possible on in-house criteria.

4.9 Inventories

Inventories are stated at weighted average cost. If the market value is lower than cost, an impairment reserve is set aside.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash, sight bank deposits, highly liquid money-market investments with initial maturities of up to three months and bank overdrafts.

Positive bank accounts are shown under "Cash and cash equivalents" within balance sheet assets and negative bank balances are shown under "Bank overdrafts" within balance sheet liabilities.

Net cash and cash equivalents within the statement of consolidated cash flows represents the amount of cash and cash equivalents less bank overdrafts.

4.11 Treasury shares

Company shares held by the parent company or one of its consolidated subsidiaries are accounted for as a deduction from shareholders' equity at purchase cost. Changes in the fair value of treasury shares while they are held are not accounted for. Post-tax gains and losses on sale of treasury shares are posted to shareholders' equity.

4.12 Financial liabilities

Borrowings and bank loans are first recorded at fair value, which is generally their face value less directly attributable transaction costs. Thereafter, financial liabilities are stated at cost less repayments. Any difference between the cost less repayments and the repayment value is taken to income based on the effective interest and the term of the borrowings. Liability derivatives are also stated at fair value. Other financial liabilities, excluding derivatives, are stated at cost less repayments.

4.13 Derivatives

The Group holds derivative financial instruments in order to reduce exposure to interest rate risks. The purpose of such instruments is to hedge against the financial risks facing the Group. Financial instruments are recorded as of the transaction date, i.e. when the hedge was contracted. However, only those that meet the hedge accounting criteria under IAS 39 on financial instruments are accounted for in the manner described below. Changes in fair value on financial instruments not qualifying as hedges are immediately posted to other financial income and expense.

All transactions qualifying as hedges are documented in relation to the hedging strategy specifying the risk hedged, the asset or liability hedged, the hedge itself, the hedging relationship and the method for measuring the effectiveness of the hedge. Measuring the effectiveness of the hedge is updated at each balance sheet date. Derivatives are initially recorded at fair value. Thereafter, fair value is updated at each balance sheet date by reference to market data. Asset and liability derivatives are shown as current or non-current depending on their maturity and that of their underlying assets and liabilities.

A cash flow hedge protects against fluctuations in cash flows arising from an asset or liability or a highly probable future transaction when such fluctuations are liable to affect earnings. At each balance sheet date, the effective portion of the hedge is posted to shareholders' equity and the ineffective portion is posted to income. When the transaction is recorded, the effective portion within shareholders' equity is transferred to income at the same time as recording the hedged asset or liability.

4.14 Staff benefits

Pursuant to the laws and practices in each country where it operates, the Group has various pension plans.

With respect to defined contribution plans, the Group has no liabilities other than to pay contributions.

With respect to defined benefit plans, the Group provides for its liability to pay defined levels of pensions to its employees.

Defined contribution plans

With respect to basic plans and other defined contribution schemes, the Group posts its contributions payable to expenses when they fall due and no accrual is recorded given that the Group has no commitment in addition to the contributions paid.

Defined benefit plans

With respect to defined benefit plans and one-off retirement compensation, the Group calculates its estimated liabilities every year in accordance with IAS 19 - "Employee benefits" based on the projected units of credit method.

This method takes into account future length of service probability, future level of pay, mortality probability and staff turnover on the basis of actuarial assumptions. The liability is discounted using an appropriate discount rate for each country where there are pension commitments. The expense is recorded in proportion to employees' years of service. If pensions are pre-financed by external funds, the assets held by these funds are valued at fair value as of the balance sheet date.

The cost of services rendered (which includes an increase in pension liabilities from the acquisition of one year's additional service), actuarial gains and losses and interest expense on the liability reflecting the reversal of the discounting effect, are all posted to the income statement. The long-term expected return on the pension fund's investments is deducted from expenses. All these expenses and income are recorded under underlying operating income except for the reversal of the discounting effect, which is included in net financial items.

Individual Right to Training

Costs incurred in respect of the *Droit Individuel à la Formation* (Individual Training Entitlement - "DIF") are recorded as expenses for the year and consequently are not accrued unless such costs can be considered as remuneration for past services and the liability towards the employee is probable or certain.
The number of employees' hours of training entitlement is disclosed in the notes to the financial statements.

4.15 Provisions and contingent liabilities

The Group books a provision when there is a legal or implicit obligation resulting from past events, which is expected to lead to an outflow of the Group's resources which represent economic benefits.

Provisions are discounted if the impact is material, and if so, the discounting effect is posted to operating income.

Contingent liabilities represent potential obligations resulting from past events that will only be confirmed if future uncertain events, which are not in the company's control, occur. Contingent liabilities also relate to current obligations for which an outflow of resources is not probable. Apart from those arising from business combinations, contingent liabilities are disclosed in the notes and not accrued.

4.16 Revenues

Income from normal operations is recognized within revenues if it is probable that the Group will receive future economic benefits therefrom and if the income can be reliably measured. Income from normal operations is recorded at the fair value of the related receivable.

Services income is recognized when the service is performed.

4.17 Taxation

Corporate income tax charges or income include current tax charges (income) and deferred tax charges (income). Tax charges (income) are recorded in income unless they relate to items within shareholders' equity, in which case they are posted to shareholders' equity.

Current tax

Current tax represents the estimated amount due in respect of taxable income for the period plus or minus any adjustment for current tax in respect of prior periods.

Deferred tax

Deferred tax is determined and recorded based on the liability method in respect of all timing differences between the book value of assets and liabilities and their tax base.

Deferred tax is not recorded for the following items: (i) Taxable timing differences arising from the first-time recognition of goodwill, (ii) first-time recognition of an asset or liability in a transaction that is not a business combination and neither affects taxable income nor accounting earnings and (iii) timing differences arising from equity investments in subsidiaries if it is not probable that such differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are computed at the expected tax rates applying in the periods when the asset will be realized or the liability paid, based on tax regulations that have been adopted or virtually adopted as of the balance sheet date. Deferred tax assets and liabilities are netted off if there is a legally enforceable right to offset current tax receivables and payables and if they relate to corporate income tax charged by the same tax authority for the same entity.

Deferred tax assets are only recognized if it is probable that the Group will have sufficient future taxable income against which the relevant timing differences can be offset. Deferred tax assets are reviewed every balance sheet date and are reduced to the extent that it is no longer probable that sufficient future taxable income will be available. To assess the Group's ability to realize deferred tax assets, the following items have been taken into account:

- Forecasts of future taxable income;
- Non-recurring costs that are included in past losses;
- Historical taxable income for previous years.

With respect to investments in subsidiaries, joint ventures and equity affiliates, a deferred tax liability is booked for all taxable timing differences between the book value of the investments and their tax base, unless:

- the Group can decide the date when such differences reverse, for instance for a dividend payout; and
- it is probable that such differences will not reverse in the foreseeable future.

4.18 Earnings per share

Basic earnings per share is calculated by dividing Group net income by the weighted average number of shares of common stock in issue during the year.

Diluted earnings per share is calculated by dividing adjusted Group net income by the weighted average number of shares of common stock in issue plus any potential future diluting shares excluding any treasury shares.

5 SEGMENT INFORMATION

Pursuant to IFRS 8 – "Operating segments", the information below for each operating segment is identical to that presented to the Principal Operational Decision Maker for purposes of deciding about the allocation of resources to the segment and assessing its performance.

An operating segment is a distinct component of the Group:

- which carries out businesses from which it receives income from ordinary activities and incurs expenses;
- for which operating earnings are regularly reviewed by the Group's Principal Operational Decision Maker with a view to taking decisions regarding resources to be allocated to the segment and to assessing its performance, and
- for which separate financial data is available.

The Group's Principal Operational Decision Maker has been identified as the Chairman and CEO and the Senior Vice President, who jointly take strategic decisions.

The Group's two operating segments are France and International, determined in accordance with IFRS 8.

The France segment is made up of subsidiaries with head offices in continental France.

The International segment is made up of subsidiaries with head offices in the following countries: Argentina, Brazil, China, Spain, La Réunion, Indonesia, Morocco, Russia, Poland and Taiwan.

Fixed assets are operating assets used by a segment for operational purposes. They include goodwill, intangible assets and property, plant and equipment. They do not include current assets used for operational purposes, deferred tax assets/liabilities or non-current financial assets.

Segment information, as presented to the principal decision makers relating to continuing operations, is as follows:

	31/12/2010			31/12/2009			31/12/2008		
	France	Inter national	Total	France	Inter national	Total	France	Inter national	Total
Revenues	255,752	133,039	388,791	216,815	96,342	313,157	221,505	81,967	303,472
Inter-segment revenues	(2,355)	(196)	(2,551)	(3,083)	(264)	(3,347)	(3,617)	(68)	(3,685)
Net revenues	253,397	132,843	386,240	213,732	96,078	309,810	217,888	81,899	299,787
Operating income	9,139	3,358	12,497	8,979	190	9,169	4,850	1,335	6,185
Net cash flow from operating activities	31,387	446	31,833	17,108	(492)	16,616	28,350	(687)	27,663
Capital expenditure	43,577	2,620	46,197	11,161	3,134	14,295	9,626	1,665	11,291
Fixed assets	103,903	17,307	121,210	70,271	16,677	86,948	50,925	7,135	58,060
Headcount	2,563	4,299	6,862	2,115	3,706	5,821	1,911	3,201	5,112

6 NOTES RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AND CHANGES THERETO

6.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	TOTAL
Gross:			
At January 1, 2008.	32,997	2,432	35,429
Acquisitions	-	1,447	1,447
Disposals	-	(183)	(183)
Change in consolidation	-	-	-
Exchange gains (losses)	-	(70)	(70)
Reclassification	-	-	-
At December 31, 2008:	32,997	3,626	36,623
Acquisitions	-	1,355	1,355
Disposals	-	(58)	(58)
Change in consolidation	26,372	-	26,372
Exchange gains (losses)	-	106	106
Reclassification	-	-	-
At December 31, 2009:	59,369	5,029	64,398
Acquisitions	-	841	841
Disposals	-	(32)	(32)
Change in consolidation	-	-	-
Exchange gains (losses)	-	115	115
Reclassification	-		-
At December 31, 2010:	59,369	5,953	65,322
Cumulative depreciation and impairment			
At January 1, 2008.	-	1,089	1,089
Depreciation for the year	-	916	916
Impairment	-	-	-
Disposals	-	(125)	(125)
Change in consolidation	-	-	-
Exchange gains (losses) and reclassifications	-	(27)	(27)
At December 31, 2008:	-	1,853	1,853
Depreciation for the year	-	1,060	1,060
Impairment	-	-	-
Disposals	-	(31)	(31)
Change in consolidation	-	-	-
Exchange gains (losses) and reclassifications	-	54	54
At December 31, 2009:	-	2,936	2,936
Depreciation for the year	-	1,051	1,051
Impairment	-		-
Disposals	-	(13)	(13)
Change in consolidation	-		-
Exchange gains (losses) and reclassifications	-	56	56
At December 31, 2010:	-	4,030	4,030
Net:			
At December 31, 2008:	32,997	1,773	34,770
At December 31, 2009:	59,369	2,093	61,462
At December 31, 2010:	59,369	1,923	61,292

The Group has no encumbrances on the use of its fixed assets.

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross:					
At January 1, 2008.	8,382	21,969	9,106	186	39,643
Acquisitions	731	4,453	3,926	734	9,844
Disposals	(61)	(1,120)	(1,474)	(2)	(2,657)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	49	(319)	(70)	-	(340)
Reclassification	-	-	-	-	-
At December 31, 2008:	9,101	24,983	11,488	918	46,490
Acquisitions	1,396	6,678	3,687	1,179	12,940
Disposals	(760)	(4,633)	(2,838)	(718)	(8,949)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	25	457	87	-	569
Reclassification	-	48	98	(146)	-
At December 31, 2009:	9,762	27,533	12,522	1,233	51,050
Acquisitions	35,330	6,441	3,279	307	45,357
Disposals	(2,011)	(209)	(1,379)		(3,599)
Change in consolidation	2,247	121	950		3,318
Exchange gains (losses)	391	423	(376)	2	440
Reclassification	711	368	23	(1,102)	-
At December 31, 2010:	46,430	34,677	15,019	440	96,566
Cumulative depreciation and impairment					
At January 1, 2008.	3,524	9,931	3,782	-	17,237
Depreciation for the year	971	4,558	3,125	16	8,670
Impairment	-	-	-	-	-
Disposals	(47)	(1,120)	(1,388)	-	(2,555)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassifications	15	(151)	(16)	-	(152)
At December 31, 2008:	4,463	13,218	5,503	16	23,200
Depreciation for the year	883	5,537	3,161	(16)	9,565
Impairment	-	-	-	-	-
Disposals	(747)	(4,442)	(2,325)	-	(7,514)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassifications	10	278	25	-	313
At December 31, 2009:	4,609	14,591	6,364	-	25,564
Depreciation for the year	2,376	6,688	2,639	-	11,703
Impairment	-	-	-	-	-
Disposals	(41)	(17)	(1,229)	-	(1,287)
Change in consolidation	-	-	-	-	-

Exchange gains (losses) and reclassifications	241	236	191	-	668
At December 31, 2010:	7,185	21,498	7,965	-	36,648
Net:					
At December 31, 2008:	4,638	11,765	5,985	902	23,290
At December 31, 2009:	5,153	12,942	6,158	1,233	25,486
At December 31, 2010:	39,245	13,179	7,054	440	59,918

The net value of the plant and equipment includes the following assets held under finance leases:

December 31, 2010: €45,365K (of which land and buildings: €33,905K)
December 31, 2009: €14,232K
December 31, 2008: €13,665K

The Group has no encumbrances on the use of its fixed assets.

Note 3: Goodwill and impairment tests on long-term assets

The principal assumptions used for impairment tests are as follows:

	2010			2009			2008		
Business sector	Value of related goodwill	Discount rate	Growth rate to infinity	Value of related goodwill	Discount rate	Growth rate to infinity	Value of related goodwill	Discount rate	Growth rate to infinity
France	48,258	10.4%	2%	48,258	10.4%	2%	30,405	10.7%	2%
International	11,111	10.4–17.5%	2%	11,111	10.4-14.6%	2%	2,592	10.7-14.8%	2%

All Cash Generating Units underwent impairment tests in respect of 2009 and 2010, which did not result in any impairment.

	France	International	Total
Net value of goodwill as of 1/1/2008	30,405	2,592	32,997
Change in goodwill	-	-	-
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Net value of goodwill as of 12/31/2008	30,405	2,592	32,997
Change in goodwill	17,853	8,519	26,372
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Net value of goodwill as of 12/31/2009	48,258	11,111	59,369
Change in goodwill	-	-	-
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Net value of goodwill as of 12/31/2010	48,258	11,111	59,369

A 0.5% increase in the discount rate would not lead to any impairment being recorded.

A 0.5% decrease in the discount rate would not lead to any impairment being recorded.

Note 4: Investment in equity affiliates

Key information concerning equity affiliates based on their separate financial statements is as follows:

	Equity interest (%)	Investment in equity affiliates	Shareholders' equity	Revenues	Net income
December 31, 2008					
ID Log	26%	37	75	6,116	24
ID Trans	26%	48	96	2,072	49
Froid Combi	13%	348	1,366	10,618	104
Total		433			
ID Log	48%	497	343	7,103	278
ID Trans	48%	312	328	3,245	252
Froid Combi	24%	349	1,372	11,140	96
Total		1,158			
December 31, 2010					
ID Log	48%	399	240	5,959	(196)
ID Trans	48%	285	285	2,510	(54)
Froid Combi	24%	311	1,222	9,847	(60)
SMTM	29%	-	(72)	-	-
AFC	37%	-	(357)	-	-
SIL	36%	-	(3)	-	-
Dislogic	24%	37	74	1,231	-
Total		1,032			

	2010	2009	2008
At January 1	1,158	433	439
Share of earnings of equity affiliates	(141)	287	63
Dividends received	(22)	(36)	(69)
Goodwill		474	
Acquisition of equity affiliates	37		
At December 31	1,032	1,158	433

Note 5: Other financial assets

Other non-current financial assets

	12/31/2010	12/31/2009	12/31/2008

Deposits and sureties	1,669	576	1,254
Investment in non-consolidated companies	51	71	140
Total net value	1,720	647	1,394

Provisions on non-current financial assets

	2010	2009	2008
At January 1	(43)	(41)	(69)
Charges		(2)	(18)
Write-backs	2		46
At December 31	(41)	(43)	(41)

Other current financial assets

	12/31/2010	12/31/2009	12/31/2008
Deposits for security	481	1,039	2,958
Other sundry receivables	2,036	1,972	11,822
TOTAL	2,517	3,011	14,780

There is no provision against deposits for security as of December 31 of each year.

Note 6: Inventories

Inventories amounted to €449K at December 31, 2010 compared to €328K and €207K at December 31, 2009 and December 31, 2008 respectively. Inventories exclusively consist of diesel fuel.

Note 7: Trade and other current receivables

	12/31/2010	12/31/2009	12/31/2008
Trade receivables	62,447	50,076	47,896
Impairment provisions	(97)	(122)	(113)
Total trade receivables - net	62,350	49,954	47,783
Tax and social security receivables	14,759	12,362	12,396
Payments on account and advances	9	12	190
Prepaid expenses	2,924	1,167	664
Total other receivables - net	17,692	13,541	13,250

Tax and social security receivables largely consist of value added tax or the equivalent for foreign subsidiaries.

Trade receivable bad debt provisions:

	2010	2009	2008
At January 1	(122)	(113)	(819)
Charges	(42)	(31)	(112)
Write-backs	67	22	818
At December 31	(97)	(122)	(113)

Maturity of trade receivables

	Total	Not due and not impaired	Due in less than 90 days	Due in more than 90 days
12/31/2010	62,447	52,146	9,589	712
12/31/2009	50,076	38,821	10,723	532
12/31/2008	47,896	40,360	6,750	786

There is no material risk of bad debts in respect of the due receivables.

Note 8: Net cash and cash equivalents

	12/31/2010	12/31/2009	12/31/2008
Cash and cash equivalents	15,099	11,212	7,452
Bank overdrafts	(1,819)	(1,000)	(1,397)
Net cash and cash equivalents	**13,280**	**10,212**	**6,055**

Group cash and cash equivalents of €15,099K at December 31, 2010 comprise cash, sight bank deposits and money-market investments amounting to €1,659K.

Note 9: Issued capital stock and additional paid-in capital

	Transaction type	Change in capital			Capital stock after transactions	
		Number of shares	Par value (€)	Additional paid-in capital (€)	Value (€)	Number of shares
At January 1, 2008.					1,295,820	129,582
At December 31, 2008:					1,295,820	129,582
12/21/2009	Share issue for cash	75,711	10	22,887,435	757,110	75,711
At December 31, 2009:				22,887,435	2,052,930	205,293
6/21/2010	10-for-1 bonus issue					
At December 31, 2010:				22,887,435	2,052,930	2,052,930

The Group has a single class of shares of common stock that entitle stockholders to the same dividend.

The shareholders' combined general meeting dated June 21, 2010 took the following decisions to change the Company's capital stock:

- The par value of the shares reduces from €10 to €1 while the capital stock remains unchanged at €2,052,930. Further to this decision, the number of shares is increased to 2,052,930.
- Furthermore, the conditions attached to the equity warrants have been changed: until June 21, 2010, equity warrants enabled holders to subscribe to stock of a Group subsidiary. Since June 21, 2010, the 25,920 shares with equity warrants come with six warrants each, i.e. amounting to 155,520 warrants in total entitling each holder to subscribe to one share in ID Logistics Group SA, the parent company. As of December 31, 2010, a single shareholder holds all shares with equity warrants.

No dividends have been paid out in last three fiscal years.

Note 10: Financial liabilities

Borrowings as of December 31, 2010

	12/31/2010	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	1,545		1,545	
Finance leases	39,733		20,402	19,331
Other borrowings	210		210	
Total non-current borrowings	41,488		22,157	19,331
Current borrowings				
Bank loans	1,905	1,905		
Finance leases	9,093	9,093		
Factoring	2,035	2,035		
Other borrowings	328	328		
Total current borrowings	13,361	13,361		
Total borrowings	54,849	13,361	22,157	19,331

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	3,250	EUR	Variable
Loan	200	EUR	Fixed
Factoring	2,035	EUR	Variable
Finance leases	894	BRL	Fixed
Finance leases	64	TWD	Fixed
Finance leases	58	ARS	Fixed
Finance leases	313	PLN	Fixed
Finance leases	15,822	EUR	Fixed
Finance leases	31,675	EUR	Variable
Other payables	148	MAD	Fixed
Other payables	390	EUR	Fixed
Total	54,849		

Borrowings as of December 31, 2009

	12/31/2009	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	307		307	
Finance leases	9,186		8,969	217
Other borrowings	330		330	
Total non-current borrowings	9,823		9,606	217
Current borrowings				

Bank loans	5,153	5,153		
Finance leases	6,378	6,378		
Factoring	12,204	12,204		
Other borrowings	144	144		
Total current borrowings	23,879	23,879		
Total borrowings	33,702	23,879	9,606	217

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	5,060	EUR	Variable
Loan	400	EUR	Fixed
Factoring	12,204	EUR	Variable
Finance leases	703	BRL	Fixed
Finance leases	12,866	EUR	Fixed
Finance leases	1,995	EUR	Variable
Other payables	474	EUR	Fixed
Total	33,702		

Borrowings as of December 31, 2008

	12/31/2008	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	400		400	
Finance leases	7,867		7,730	137
Other borrowings	450		450	
Total non-current borrowings	8,717		8,580	137
Current borrowings				
Bank loans	6,955	6,955		
Finance leases	6,704	6,704		
Factoring	7,771	7,771		
Other borrowings	441	441		
Total current borrowings	21,871	21,871		
Total borrowings	30,588	21,871	8,580	137

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	6,867	EUR	Variable
Loan	488	EUR	Fixed
Factoring	7,771	EUR	Variable
Finance leases	186	BRL	Fixed
Finance leases	10,796	EUR	Fixed
Finance leases	3,589	EUR	Variable
Other payables	891	EUR	Fixed
Total	30,588		

Bank covenants

In July 2005, the Group issued senior debt subject to three financial ratios (see paragraph 10.1.4).

As of December 31, 2008, December 31, 2009 and December 31, 2010, the Group did not comply with all the ratios.

For the year ended December 31, 2010, the Group received a waiver from the banking syndicate prior to the balance sheet date. For the years ended December 31, 2008 and December 31, 2009, the Group received waivers after the balance sheet date. Consequently, the senior debt, for which the outstanding balance amounted to €6,868K and €5,060K respectively, was reclassified under current borrowings at the balance sheet dates even though the banks did not demand any early repayment.

Note 11: Provisions

	Social security and tax risks	Operating risks	Staff benefits	Other	Total
At January 1, 2008	2,706	2,955	567	-	6,228
Charges	779	1,077	156	-	2,012
Write-backs used	(795)	(1,213)	(19)	-	(2,027)
Write-backs not used	(55)	(40)	-	-	(95)
Other changes	-	(36)	-	-	(36)
At December 31, 2008	2,635	2,743	704	-	6,082
Charges	859	1,724	219	-	2,802
Write-backs used	(434)	(1,194)	(34)	-	(1,662)
Write-backs not used	(35)	(150)	-	-	(185)
Other changes	48	2	-	-	50
At December 31, 2009	3,073	3,125	889	-	7,087
Charges	1,108	1,892	265	-	3,265
Write-backs used	(542)	(1,618)	(24)	-	(2,184)
Write-backs not used	(280)	(240)	-	-	(520)
Other changes	1,051	15	-	-	1,066
At December 31, 2010	4,410	3,174	1,130	-	8,714
Of which current provisions	4,410	3,174			7,584
Of which non-current provisions			1,130		1,130

The provisions for operating risks primarily relate to disputes with customers and lessors.

Note 12: Deferred tax

	12/31/2010	12/31/2009	12/31/2008
Deferred tax assets	7,408	7,357	8,728
Deferred tax liabilities	(356)	(477)	(477)
Net deferred tax	7,052	6,880	8,251

Deferred tax in the balance sheet can be broken down as follows:

	12/31/2010			12/31/2009			12/31/2008		
	Deferred tax assets	Deferred tax liabilities	Total	Deferred tax assets	Deferred tax liabilities	Total	Deferred tax assets	Deferred tax liabilities	Total
Property, plant and equipment and finance leases	260	(586)	(326)	204	(635)	(431)	227	(473)	- (246)
Provisions/staff benefits	3,416	(246)	3,170	3,002	-	3,002	2,051		2,051
Tax losses carried forward	4,136	-	4,136	4,302	-	4 302	6,387		6,387
Other items	114	(42)	72	67	(60)	7	63	(4)	59
Offsets	(518)	518	-	(218)	218	-			
Total	7,408	(356)	7,052	7,357	(477)	6,880	8,728	(477)	8,251

Deferred tax changed as follows:

	Property, plant and equipment and finance leases	Provisions and staff benefits	Tax losses carried forward	Other items	Total
Deferred tax as of January 1, 2008	(227)	1 206	7,468	(23)	8,424
Amounts posted to income	(19)	845	(1,081)	28	(227)
Amounts posted to shareholders' equity				54	54
Deferred tax as of December 31, 2008	(246)	2,051	6,387	59	8,251
Amounts posted to income	(185)	951	(2,085)	134	(1,185)
Amounts posted to shareholders' equity				(186)	(186)
Deferred tax as of December 31, 2009	(431)	3,002	4,302	7	6,880
Amounts posted to income	103	(84)	(157)	124	(14)
Amounts posted to shareholders' equity				(59)	(59)
Foreign exchange gains or losses		1	(9)		(8)
Change in consolidation	2	251			253
Deferred tax as of December 31, 2010	(326)	3,170	4,136	72	7,052

The deferred tax assets arising from unrelieved tax losses were based on future taxable income calculated over a reasonable time frame.

The amounts of the Group's unrelieved tax losses, for which no deferred has been recognized at any balance date, are as follows:

Balance sheet date	Losses	Uncapitalized deferred tax
December 31, 2010	13,804	4,601
December 31, 2009	15,688	5,229
December 31, 2008	13,402	4,467

Timing differences from equity affiliates and joint ventures are not material.

Note 13: Trade and other payables

	12/31/2010	12/31/2009	12/31/2008
Trade payables	49,496	42,754	41,372
Tax and social security payables	62,417	44,423	42,616
Advances and payments on account received	1,102	755	8,763
Other current payables	2,884	3,838	2,755
Deferred income	6,068	3,895	1,830
Total other payables	72,471	52,911	55,964

All the trade and other payables fall due in less than one year.

Note 14: Derivatives and risk management

The Group's principal financial liabilities consist of bank loans and overdrafts, finance lease liabilities, factoring liabilities and trade payables.

Furthermore, the Group holds financial assets such as trade receivables, deposits as security or endorsements and available cash. These arise from the Group's operations.

The table below specifies the book value and the fair value of the financial instruments recorded in the consolidated balance sheet.

12/31/2010	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Undocumented derivatives	Closing book value	Fair value
Non-current financial assets	51	1,669				1,720	1,720
Trade receivables		62,350				62,350	62,350
Other receivables		17,692				17,692	17,692
Current financial assets		2,517				2,517	2,517
Cash and cash equivalents	15,099					15,099	15,099
Total financial assets	15,150	84,228	-	-		99,378	99,378
Borrowings			6,023	48,826		54,849	54,849
Trade payables			49,496			49,496	49,496
Other payables			72,471			72,471	72,471
Liability derivatives					748	748	748

Bank overdrafts			1,819			1,819	1,819
Total financial liabilities	-	-	129,809	48,826	748	179,383	179,383

12/31/2009	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Undocumented derivatives	Closing book value	Fair value
Non-current financial assets	71	576				647	647
Trade receivables		49,954				49,954	49,954
Current financial assets		3,011				3,011	3,011
Cash and cash equivalents		11,212				11,212	11,212
Total financial assets	71	64,753	-	-		64,824	64,824
Borrowings			18,138	15,564		33,702	33,702
Trade payables			42,754			42,754	42,754
Other payables			3,838			3,838	3,838
Liability derivatives					589	589	589
Bank overdrafts			1,000			1,000	1,000
Total financial liabilities	-	-	65,730	15,564	589	81,883	81,883

12/31/2008	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Undocumented derivatives	Closing book value	Fair value
Non-current financial assets	140	1,254				1,394	1,394
Trade receivables		47,783				47,783	47,783
Current financial assets		14,780				14,780	14,780
Cash and cash equivalents		7,452				7,452	7,452
Total financial assets	140	71,269	-	-	-	71,409	71,409
Borrowings			16,018	14,570		30,588	30,588
Trade payables			41,372			41,372	41,372
Other payables			2,755			2,755	2,755
Liability derivatives					26	26	26
Bank overdrafts			1,397			1,397	1,397
Total financial liabilities	-	-	61,542	14,570	26	76,138	76,138

The fair value of the current assets and liabilities is close to the book value given the very low impact of discounting.

Group management considers that the balance sheet value of the non-current financial assets represents a reasonable approximation of their fair value. Group management considers that the balance sheet value of the non-current financial liabilities represents a reasonable approximation of their fair value.

Bank loans mainly consist of loans at variable interest rates and finance lease liabilities. The fair value of variable rate loans approximately equals their net book value. The net book value of non-current payables equals the discounted present value of the minimum amounts payable. Group management considers that this value represents a reasonable approximation of their fair value.

Management of financial risks

The main risks of the Group's financial instruments are interest rate, exchange rate and liquidity risks.

Interest rate risk

Loan contracts are approved by the Group Finance Department and are predominately contracted by the French legal entities.

As of December 31, 2010, before taking account of hedges, 67% of borrowings are contracted at variable rates and 33% at fixed rates. A 1% increase in average interest rates would result in an additional €370K interest expense within net financial items.

The maturity of borrowings is detailed under Note 10. Trade and other payables represent current operating liabilities and largely fall due in less than one year.

Exchange rate risk

The Group regularly revalues its exposure to exchange rate risk. As of December 31, 2010, no specific hedge was taken out in respect of amounts denominated in currencies other than euros. The total value of foreign currency assets and liabilities as of December 31, 2010 is broken down as follows:

Foreign currency amount	TWD	CNY	BRL	PLN	ARS	Other	Total
Assets excluding goodwill	5,927	3,094	16,742	3,351	1,879	3,325	34,318
Liabilities	(3,791)	(1,932)	(11,776)	(2,921)	(1,008)	(1,438)	(22,866)
Net balance before management	2,136	1,162	4,966	430	871	1,887	11,452
Management	-	-	-	-	-	-	-
Net balance after management	2,136	1,162	4,966	430	871	1,887	11,452

The total value of foreign currency assets and liabilities as of December 31, 2009 is broken down as follows:

Foreign currency amount	TWD	CNY	BRL	PLN	ARS	Other	Total
Assets excluding goodwill	5,594	1,647	12,487	1,969	1,345	613	23,656
Liabilities	(3,594)	(853)	(10,799)	(2,279)	(867)	(362)	(18,754)
Net balance before management	2,000	795	1,688	(310)	478	251	4,901
Management	-	-	-	-	-	-	-
Net balance after management	2,000	795	1,688	(310)	478	251	4,901

The total value of foreign currency assets and liabilities as of December 31, 2008 is broken down as follows:

Foreign currency amount	TWD	CNY	BRL	PLN	Other	Total
Assets excluding goodwill	5,674	768	7,432	2,074	697	16,646
Liabilities	(4,265)	(270)	(6,645)	(1,888)	(178)	(13,246)
Net balance before management	1,409	498	787	186	519	3,400
Management	-	-	-	-	-	-
Net balance after management	1,409	498	787	186	519	3,400

Liquidity risk

The Group is financed principally from available cash, factoring, bank overdrafts, finance leases and a syndicated banking loan.

Based on prevailing exchange rates and interest rates as of December 31, 2010, as well as on the contractual loan maturity dates, cash flows related to financial liabilities were as follows:

		Due in less than 1 year			Due in 1 to 5 years			Due in more than 5 years		
12/31/2010	Book value	Fixed rate interest expense	Variable rate interest expense	Re-payment	Fixed rate interest expense	Variable rate interest expense	Re-payment	Fixed rate interest expense	Variable rate interest expense	Re-payment
Bank overdrafts	1,819	-	-	1,819	-	-	-	-	-	-
Finance leases	48,826	934	570	9,093	1,113	1,804	20,402	32	1,063	19,331
Loans	3,450	17	71	1,905	5	20	1,545	-	-	-
Factoring	2,035	-	6	2,035	-	-	-	-	-	-
Other liabilities	538	23	-	328	7	-	210	-	-	-

	12/31/2010	Of which confirmed		Of which non-confirmed	
		Amount drawn	Amount not drawn	Amount drawn	Amount not drawn
Credit lines available:					
Finance lease liabilities	15,365	3,298	867	5,898	5,302
Borrowings	9,265	1,159	106	-	8,000

The Group regularly revalues its exposure to liquidity risk. As of December 31, 2010, management believes it can meet its future liabilities as they fall due.

Note 15: Financial instruments

As stated under Note 10, a portion of the Group's borrowings is contracted at variable rates based on EURIBOR 3 months or EURIBOR 1 month. In order to limit exposure to an increase in rates, the Group has contracted interest rate hedging instruments.

The instruments in question consist of:

- Interest rate swaps (variable EURIBOR 3 months exchanged for a fixed rate) representing a total par value of €5,514K as of December 31, 2010 (€6,167K at December 31, 2009 and €6,797K at December 31, 2008). These contracts mature in less than one year as of December 31, 2010.
- Interest rate caps (limiting variable EURIBOR 3 months to a fixed rate of 2.50%) signed in 2009 and representing a total par value of €29,892K as of December 31, 2010 (€20,000K at December 31, 2009).

Financial costs include changes in fair value of undocumented derivatives regarding hedges. The impact of these gains and losses is described in the table below.

		Recorded fair value		Posted to	
	Par value	Assets	Liabilities	Income	Shareholders' equity
Interest rate swaps	6,797	-	26	(83)	-
Interest rate cap	-	-	-	-	-
December 31, 2008		-	26	(83)	-
Interest rate cap					
December 31, 2009	6,167	-	310	(283)	-
December 31, 2009	20,000	-	279	(279)	-
December 31, 2009		-	589	(562)	-
December 31, 2010	29,892	-	623	(344)	-
December 31, 2010	5,514	-	125	185	-
December 31, 2010		-	748	(159)	-

Note 16: Staff benefits

The principal assumptions used for actuarial valuations of the plans are as follows:

France	12/31/2010	12/31/2009	12/31/2008
Discount rate	4,43%	4,64%	5,22%
Annual wage increases	2,00%	2,00%	2,00%
Social security charge rate	45%	45%	45%
Staff turnover	11%	12%	12%
Retirement age	67	65	65
Survival table	TH 00 02	TH 00 02	TH 00 02
Entitlements table	CC Transport	CC Transport	CC Transport

Amounts recorded in respect of one-time retirement compensation are as follows:

	12/31/2010	12/31/2009	12/31/2008
Present value of the liability	1,130	889	704
Cost of past services not recorded	0	0	0
Fair value of the pension plan assets	0	0	0
Net balance sheet liability	1,130	889	704

The sensitivity of the present value of the liability to the discount rate is as follows:

	Annual discount rate		
	3,43%	4,43%	5,43%
	(-100 basis points)	(Base discount rate)	(+100 basis points)
Present value of the liability	1,262	1,130	1,018

Amounts recorded in the income statement in respect of pension commitments are as follows:

	12/31/2010	12/31/2009	12/31/2008
Cost of services rendered during the year less services paid for during the year	123	91	38
Interest on the liability	39	34	29
Actuarial gains/losses arising during the year	79	60	70
Net expense recorded against income	241	185	137
Of which under operating income	*202*	*151*	*108*
Of which under other financial income and expenses	*39*	*34*	*29*

The expense for the year is included in Staff costs in the income statement.

Changes in the present value of pension liabilities can be broken down as follows:

	12/31/2010	12/31/2009	12/31/2008
Liabilities brought forward	889	704	567
Cost of services	147	125	57
Interest	39	34	29
Actuarial gains/losses	79	60	70
Services paid	(24)	(34)	(19)
Liabilities carried forward	1,130	889	704

The details of the plans for the current year and prior year can be broken down as follows:

	12/31/2010	12/31/2009	12/31/2008
Present value of the liabilities	1,130	889	704
Fair value of the pension plan assets	-	-	-
Net liability	1,130	889	704

6.2 Income statement notes

Note 17: Net financial items

	12/31/2010	12/31/2009	12/31/2008
Interest and related income	653	224	549
Total financial income	653	224	549
Interest and related expenses	(4,157)	(2,991)	(3,910)
Fair value adjustments on financial instruments	(157)	(562)	(83)
Discounting of pension liabilities	(39)	(34)	(29)
Other financial expenses	(436)	(130)	(17)
Total financial expenses	(4,789)	(3,717)	(4,039)
Total	(4,136)	(3,493)	(3,490)

Interest and related expenses largely relate to bank loans, financial lease liabilities and bank overdrafts.

The 2010 net cost of debt amounted to €3,504K, compared to €2,767K in 2009 and €3,361K in 2008.

Note 18: Corporate income tax

	12/31/2010	12/31/2009	12/31/2008
Current tax charge/(income)	1,220	481	32
Deferred tax charge/(income)	14	1,185	227
Tax on value added	1,991		
Total tax	3,225	1,666	259

The reconciliation between the theoretical tax charge/(income) and the actual tax charge/(income) recorded is as follows:

	12/31/2010	12/31/2009	12/31/2008
Total consolidated net income	4,995	4,297	2,499
Tax excluding value added tax	1,234	1,666	259
Earnings in equity affiliates	141	(287)	(63)
Income before tax	6,370	5,676	2,695
Statutory tax rate	34,43%	34,43%	34,43%
Theoretical tax	2,193	1,954	928
Permanent differences	183	(952)	(1,166)
Losses for the year not recognized	148	990	192
Use and recognition of prior losses not recognized	(1,316)	(294)	(14)
Other taxes	148	83	377
Differences in tax rates	(122)	(115)	(58)
Actual tax recorded	1,234	1,666	259
Effective tax rate	19,37%	29,35%	9,61%

The French 2010 Finance Act, voted in the French parliament December 30, 2009, cancelled *Taxe Professionnelle* (regional business tax) for French tax-paying businesses with effect from 2010 and replaced it by *Contribution Economique Territoriale*, which consists of the following two taxes:

- *Cotisation Foncière des Entreprises* (CFE – business property tax) based on the existing property rental values under *Taxe Professionnelle*;

- *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE – tax on business added value), based on the added value stated in the company financial statements.

The Group considered that the above tax charge in reality represented a replacement of *Taxe Professionnelle* by two new taxes of different types:

- CFE continues to be posted to miscellaneous taxes under operating income and,

- CVAE is included under the line Corporate income tax

Note 19: Earnings per share

The average number of shares during the year was as follows:

(no. of shares)	12/31/2010	12/31/2009	12/31/2008
Average number of shares in issue	2,052,930	1,316,563	1,295,820
Average number of treasury shares	(1,979)		
Average number of shares	2,050,951	1,316,563	1,295,820
Equity warrants	155,520		
Average number of diluted shares	2,206,471	1,316,563	1,295,820

The combined shareholders' general meeting dated June 21, 2010 decided to carry out a 10-for-1 bonus issue resulting in a 90% reduction in the par value without changing the total capital stock. For purposes of comparability with prior years, the number of shares used for the computation of earnings per share was adjusted for this decision and backdated for fiscal years 2009 and 2008.

6.3 Other information

Note 20: Change in working capital

	12/31/2010	12/31/2009	12/31/2008
Inventories	(121)	(121)	36
Trade receivables	(11,598)	(2,170)	7,027
Trade payables	6,225	1,380	(3,518)
Operating working capital	(5,494)	(911)	3,545
Other receivables	(3,171)	(554)	8,650
Other payables	18,117	(2,128)	(688)
Non-operating working capital	14,946	(2,682)	7,962
Change in working capital	9,452	(3,593)	11,507

Note 21: Headcount

The number of employees under open ended employment contracts at December 31 was as follows:

(no.)	12/31/2010	12/31/2009	12/31/2008
Managers	252	230	220
Non-managers	6,610	5,591	4,892
Total	6,862	5,821	5,112

Note 22: Transactions with related parties

Transactions were undertaken at normal market conditions between the Group and affiliated companies as follows:

Company	Type of relationship	Transaction type	Income (expense)			Balance sheet asset or (liability)		
			2010	2009	2008	2010	2009	2008
Comète	Joint director	Services provided	(515)	(515)	(480)	(237)	(237)	(83)
Immod	Joint shareholder	Interest on finance	(7)	118	366	(837)	(689)	10,020
		Services provided	(14)	545	72			
Les Parcs du Lubéron Holding	Joint director	Services provided	-	4	9	-	11	11
Les Parcs du Lubéron Gestion	Joint director	Services provided	62	128	36	(4)	72	38

Transactions with equity affiliates, which are signed at normal market conditions, related to ongoing administrative services and in total are not material in relation to the Group's business.

Note 23: Directors' remuneration

The chairman of the Board of Directors does not receive any remuneration from the Group. He receives remuneration from Comète, in which he holds a 95.97% equity stake, and which has signed services agreements with various Group subsidiaries. The services specified in these agreements include management related to strategy and sales growth.

The amounts of the aforementioned services are specified under Note 22.

Gross remuneration of other Board of Directors' members

	12/31/2010	12/31/2009	12/31/2008
Expense type			
Total gross remuneration	249	-	-
Post retirement benefits	-	-	-
Other long-term benefits	-	-	-
One-time retirement compensation	-	-	-

Until June 21, 2010, the Company was incorporated as a *société anonyme par actions simplifiée* (French simplified joint stock company) and had a single corporate officer. The shareholders' general meeting dated June 21, 2010 approved the Company's transformation into a *société anonyme* (French joint stock company) with a Board of Directors comprising three directors.

The remuneration specified below takes account of these changes in proportion to time.

Note 24: Commitments and contingencies

The Group's signed commitments at the balance sheet date were as follows:

	12/31/2010	12/31/2009	12/31/2008
Commitments given			
Real estate leases	32,493	40,296	41,973
Plant and equipment leases	13,954	19,444	15,195
Parent company guaranties	4,982	3,941	3,702
Borrowings subject to covenants	3,252	5,060	6,868
Individual training entitlements ("DIF"), no. of hours	190,500	155,000	107,400
Commitments received			
Bank guarantees	7,890	6,946	7,319

Commitments given in relation to real estate and plant and equipment leases were as follows:

	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
At December 31, 2010				
Real estate leases	14,352	18,141	0	32,493
Plant and equipment leases	5,018	8,223	713	13,954
At December 31, 2009				
Real estate leases	15,463	23,879	954	40,296
Plant and equipment leases	6,556	12,142	746	19,444
At December 31, 2008				
Real estate leases	14,778	26,634	561	41,973
Plant and equipment leases	5,418	9,434	343	15,195

Note 25: Post balance sheet events

There were no events between the balance sheet date and the date when the consolidated financial statements were approved.

Note 26: List of consolidated subsidiaries, joint ventures and equity affiliates

	Country	Equity interest (%)			Control (%)			Cons. method
		2010	2009	2008	2010	2009	2008	
ID Logistics Group SA	France							Parent company
Ficopar	France	95%	95%	51%	95%	95%	51%	FC
ID Logistics	France	95%	95%	51%	100%	100%	100%	FC
ID Logistics France	France	95%	95%	51%	100%	100%	100%	FC
ID Logistics France 2	France	95%	95%	51%	100%	100%	100%	FC
ID Logistics France 3	France	95%	95%	51%	100%	100%	100%	FC
ID Logistics Training	France	95%	95%	51%	100%	100%	100%	FC
FC Logistique R&D	France	95%	95%	51%	100%	100%	100%	FC
La Flèche	France	95%	95%	51%	100%	100%	100%	FC
La Financière du Lubéron	France	95%	95%	51%	100%	100%	100%	FC
ID Projets	France	95%	95%	51%	99%	99%	99%	FC
Immod 1	France	95%	95%	51%	100%	100%	100%	FC
ID Logistics Entrepot	France	95%	95%	51%	100%	100%	100%	FC
Froid Combi	France	24%	24%	13%	25%	25%	25%	EM
Interflèche	France	95%	95%	51%	100%	100%	100%	FC
CGLS	France	95%			100%			FC
SCI Citronniers	France	95%			100%			FC
SCI Cocotiers	France	95%			100%			FC
Cofradis	France	95%			100%			FC
Transdispatch	France	95%			100%			FC
ID Logistics Champagne	France	95%			100%			FC
SMTM	France	29%			30%			EM
SIL	France	36%			38%			EM
AFC	France	37%			39%			EM
ID Logistics Taiwan	Taiwan	57%	57%	31%	60%	60%	60%	FC
ID Logistics Do Brasil	Brazil	95%	95%	51%	100%	100%	100%	FC
ID Log	DOM**	48%	48%	26%	50%	50%	50%	EM
ID Trans	DOM	48%	48%	26%	50%	50%	50%	EM
ID Logistics Océan Indien	DOM	48%	48%	26%	51%	51%	51%	FC
Dislogic	DOM	24%			50%			EM
ID Logistics Mayotte	DOM	95%			100%			FC
ID Logistics Maurice	Maurice	95%	95%	51%	100%	100%	100%	FC
Group Logistics - IDL Espana	Spain	95%	95%	51%	100%	100%	100%	FC
ID Logistics Maroc	Morocco	57%	57%	31%	60%	60%	60%	FC
ID Logistics China Hong Kong	China	95%	95%	51%	100%	100%	100%	FC
ID Logistics Nanjing	China	95%	95%	51%	100%	100%	100%	FC
Nanjing ID Business Consultation	China	95%	95%	51%	100%	100%	100%	FC
ID Consulting Shanghai	China	95%	95%	51%	100%	100%	100%	FC
Pt. Inti Dinamika Logitama Indonesia	Indonesia	95%	95%	51%	100%	100%	100%	FC
Pt. Inti. Dimension	Indonesia	94%			99%			FC
ID Logistics Polska	Poland	95%	95%	51%	100%	100%	100%	FC
ID Logistics A	Argentina	86%	86%	46%	90%	90%	90%	FC
ID Supply Chain	Argentina	51%	51%	28%	60%	60%	60%	FC
ID Logistics Vostok	Russia	95%			100%			FC
ID Logistics Rus	Russia	81%			85%			FC

* FC: full consolidation, EM: equity method

** DOM: *Départment d'outre-mer* = French Overseas Department

20.1.2 2009 and 2008 Group consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	12/31/2009	12/31/2008
Revenues		309,810	299,787
Purchases and external charges		(158,167)	(161,930)
Staff costs		(125,339)	(113,826)
Miscellaneous taxes		(7,314)	(7,082)
Other income (expenses)		1,568	(1,499)
Net depreciation/impairment		(10,625)	(9,586)
Net (increases) write-backs to provisions		(764)	321
Operating income		9,169	6,185
Financial income	Note 17	224	549
Financial expenses	Note 17	(3,717)	(4,039)
Group income before tax		5,676	2,695
Corporate income tax	Note 18	(1,666)	(259)
Share of earnings of equity affiliates		287	63
Total consolidated net income		4,297	2,499
Of which minority interests		2,296	1,252
Of which Group share		2,001	1,247
Earnings per share, Group share			
Basic EPS (€)	Note 19	15,20	9,62
Diluted EPS (€)	Note 19	13,96	8,89

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€000)	12/31/2009	12/31/2008
Total consolidated net income	4,297	2,499
Exchange differences	511	(190)
Taxation on foreign exchange differences	(186)	54
Total gains and losses posted to shareholders' equity net of tax	325	(136)
Comprehensive net income	4,622	2,363
Of which minority interests	2,182	1,171
Of which Group share	2,440	1,192

CONSOLIDATED BALANCE SHEET

(€000)	Notes	12/31/2009	12/31/2008
Goodwill	Notes 1 - 3	59,369	32,997
Intangible assets	Note 1	2,093	1,773
Property, plant and equipment	Note 2	25,486	23,290
Investment in equity affiliates	Note 4	1,158	433
Other non-current financial assets	Note 5	647	1,394
Deferred tax assets	Note 12	7,357	8,728
Non-current assets		96,110	68,615
Inventories	Note 6	328	207
Trade receivables	Note 7	49,954	47,783
Other receivables	Note 7	13,541	13,250
Other current financial assets	Note 5	3,011	14,780
Cash and cash equivalents	Note 8	11,212	7,452
Current assets		78,046	83,472
Total assets		174,156	152,087
Capital stock	Note 9	2,053	1,296
Additional paid-in capital	Note 9	22,887	-
Exchange differences		105	(76)
Consolidated reserves		6,636	5,389
Net income for the year		2,001	1,247
Shareholders' equity, Group share		33,682	7,856
Minority interests		1,954	8,325
Shareholders’ equity		35,636	16,181
Borrowings (due in over 1 yr)	Note 10	9,823	8,717
Long-term provisions	Notes 11 - 16	889	704
Deferred tax liabilities	Note 12	477	477
Non-current liabilities		11,189	9,898
Short-term provisions	Note 11	6,198	5,378
Borrowings (due in less than 1 yr)	Note 10	23,879	21,871
Other current financial liabilities	Note 14	589	26
Bank overdrafts	Note 8	1,000	1,397
Trade payables	Note 13	42,754	41,372
Other payables	Note 13	52,911	55,964
Current liabilities		127,331	126,008
Total liabilities and shareholders’ equity		174,156	152,087

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	Note	2009	2008
Net income		4,297	2,499
Net depreciation, impairment and provisions		11,708	9,403
Fair value adjustments on financial instruments	Note 14	562	83
Share of undistributed earnings of equity affiliates		(249)	10
Change in working capital	Note 20	(3,593)	11,507
Net cash flows from operating activities after net cost of debt and tax		12,725	23,502
Corporate income tax	Note 18	1,666	259
Net financial costs from financing activities	Note 17	2,767	3,361
Net cash flows from operating activities before net cost of debt and tax		17,158	27,122
Tax paid		(542)	541
Net cash flow from operating activities		16,616	27,663
Purchase of intangible assets and PP&E	Notes 1 - 2	(14,295)	(11,291)
Purchase of financial assets		(176)	(625)
Fixed asset payables		(676)	276
Sale of intangible assets and PP&E		1,333	156
Sale of financial assets		925	2,757
Net cash flow from investing activities		(12,889)	(8,727)
Net financial costs from financing activities	Note 17	(2,767)	(3,361)
Loans received		20,598	14,826
Loan repayments		(17,486)	(28,277)
Net cash flow from financing activities		345	(16,812)
Exchange gains (losses)		85	121
Net underlying change in cash and cash equivalents		4,157	2,245
Opening net cash and cash equivalents	Note 8	6,055	3,810
Closing net cash and cash equivalents	Note 8	10,212	6,055

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€000)	Capital stock	Additional paid-in capital	Consolidation reserves	Exchange differences	Shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
January 1, 2008	1,296		5,403	-	6,699	7,149	13,848
2008 net income			1,247		1,247	1,252	2,499
Gains and losses posted to shareholders' equity				(76)	(76)	(60)	(136)
Other			(14)		(14)	(16)	(30)
December 31, 2008	1,296	-	6,636	(76)	7,856	8,325	16,181
2009 net income			2,001		2,001	2,296	4,297
Gains and losses posted to shareholders' equity				181	181	144	325
Capital increase	757	22,887			23,644		23,644
Change in percentage interest					-	(8,830)	(8,830)
Other					-	19	19
December 31, 2009	2,053	22,887	8,637	105	33,682	1,954	35,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

ID Logistics Group SA is a *société anonyme* (French joint stock company) subject to French law with head office located at 410, route du Moulin de Losque 84300 Cavaillon. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") carry out their logistics business in France and around ten other countries.

The Group consolidated financial statements for the year ended December 31, 2009 were approved by the Board of Directors on May 4, 2011. Unless otherwise indicated, figures are stated in euro thousands.

2 BASE FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Context

Until fiscal 2009 inclusive, the Group consolidated financial statements were prepared in accordance with the accounting principles relating to consolidated financial statements approved by the decree dated June 22, 1999 introducing regulation no. 99-02 of the French accounting regulations committee (CRC).

In 2010, the Group planned to carry out an IPO on a regulated market. Pursuant to regulation no. 1606/2002, the Group must therefore publish its consolidated financial statements in accordance with IFRS. IFRS comprise IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations (SIC –"Standing Interpretation Committee" & IFRIC - "International Financial Reporting Interpretation Committee").

In order to meet this obligation, the Group introduced a procedure designed to prepare its first IFRS consolidated financial statements for the year ended 31 December 2009 with 2008 comparative figures.

2.2 First time application of IFRS (International Financial Reporting Standards)

Given that the Group is applying IFRS for the first time, the specific rules for first-time adoption of IFRS, as described under IFRS 1 - "*First-time adoption of international financial reporting standards*", have been applied. The options adopted as of the transition date of January 1, 2008 are as follows:

- Business combinations prior to the IFRS transition date were not adjusted, in accordance with IFRS 3;
- No material Group subsidiary, equity affiliate or joint venture adopted IFRSs as from a date different from the parent company;
- All requirements of IAS 32 "Financial instruments: Disclosures and presentation" and IAS 39 "Financial instruments: Measurement and valuation" have been applied with effect from the IFRS transition date;
- The Group has chosen to transfer currency differences as of January 1, 2008, which arise from the conversion into euros of the financial statements of subsidiaries whose operating currency is a foreign currency, to consolidated reserves. Consequently, currency differences are not posted to income if the related assets are subsequently sold;

- The Group has not opted to revalue property, plant and equipment as of the IFRS transition date; actuarial differences prior to January 1, 2008 were posted to opening shareholders' equity as of January 1, 2008.

Reconciliations between:

- the December 31, 2007 French GAAP consolidated balance sheet and the IFRS opening consolidated balance sheet as of January 1, 2008

- the French GAAP consolidated income statements and the IFRS consolidated income statements for the years ended December 31, 2008 and December 31, 2009

- the French GAAP consolidated balance sheets and the IFRS consolidated balance sheets as of December 31, 2008 and December 31, 2009

and notes thereto are given under Chapter 7.

2.3 Accounting principles and methods applied

The first IFRS Group consolidated financial statements for the year ended December 31, 2009 have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), as adopted in the European Union as of December 31, 2009. Said accounting principles can be viewed on the website http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The standards applicable as of December 31, 2009 were applied to all fiscal years presented. Some of these accounting standards may be subject to changes or interpretations, for which application may be backdated. Such changes may cause the Group subsequently to modify the consolidated financial statements adjusted to IFRS.

If there are no standards or interpretations applicable to a specific transaction, Group management uses its own judgment to define and apply the accounting principles which result in fair and reliable data so that the financial statements:

- give a fair view of the Group's financial position, results and cash flows;
- reflect the economic substance of the transactions;
- are objective;
- are prudent; and
- are complete in all significant aspects.

2.4 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2010 and subsequent years

The Group has chosen not to apply in advance the following standards and interpretations, which are not compulsory as of December 31, 2009:

- IFRS 3 revised – Business combinations (applicable to business combinations for which the acquisition date falls within a period beginning with effect from July 1, 2009);
- IAS 27 revised – Consolidated and separate financial statements (applicable to periods beginning with effect from July 1, 2009);
- IAS 39 revised – Eligible hedged items (applicable to periods beginning with effect from July 1, 2009);
- IFRS 1 revised – First-time adoption of IFRS (applicable to periods beginning with effect from July 1, 2009);

- IFRIC 17 – Distribution of non-cash assets to owners (applicable to periods beginning with effect from November 1, 2009);
- IAS 32 revised – Classification of rights issues (applicable to periods beginning with effect from February 1, 2010);
- IFRIC 18 - Transfers of assets from customers (applicable to periods beginning with effect from November 1, 2009).

2.5 Underlying accounting convention

The consolidated financial statements have been prepared pursuant to the historical cost convention with the exception of certain assets and liabilities in accordance with IFRS rules. The assets and liabilities in question are mentioned in the notes below.

2.6 Estimates and judgments

To prepare the accounts, the Group makes estimates and assumptions, which affect the financial statements. The Group reviews its estimates and assumptions on a regular basis to take account of past experience and other factors considered relevant in view of economic conditions. Depending on how these assumptions evolve and on various conditions, the actual amounts or the amounts recorded in future financial statements may differ from the current estimates.

The principal estimates made by the Group to prepare the financial statements relate to the valuation and estimated useful lives of intangible and other assets and property, plant and equipment, the value of provisions for contingencies and other operating provisions, the valuation of recorded deferred tax assets and assumptions adopted to calculate staff benefit liabilities.

2.7 Presentation principles

2.7.1 Income statement

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated income statement by nature of expenses.

2.7.2 Balance sheet

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated balance sheet distinguishing between current and non-current assets and between current and non-current liabilities.

The Group's operating assets, cash and cash equivalents and operating financial assets are all stated as current assets. Deferred tax assets and the other assets are stated as non-current assets.

The Group's operating liabilities and payables falling due in the next 12 months are stated as current liabilities. Deferred tax liabilities and the other liabilities are stated as non-current liabilities.

3 HIGHLIGHTS

The main changes in consolidation during fiscal 2008 and 2009 were as follows:

Start-ups

ID Logistics Polska, a Polish company incorporated early 2008, was consolidated for the first time during the fiscal year ended December 31, 2008. ID Logistics Polska is consolidated under the full consolidation method.

ID Logistics A, an Argentine company incorporated in the course of 2009, was consolidated for the first time during the fiscal year ended December 31, 2009. ID Logistics A holds a majority equity stake in ID Supply Chain, an Argentine logistics service provider. Both companies are consolidated under the full consolidation method.

Changes in equity stakes

- On December 21, 2009, ID Logistics Group SA acquired an additional equity stake in Financière de Commerce et de Participation, thus increasing its equity stake in this company from 50.49% to 94.99%. The acquisition was carried out through a €23,644K capital increase by offset against receivables and by the assumption of a €10,034K debt, the remaining acquisition debt amounting to €1,999K as of December 31, 2009.

4 ACCOUNTING PRINCIPLES AND METHODS

4.1 Consolidation principles and scope

The Group consists of the parent company, ID Logistics Group SA, and its subsidiaries, joint ventures and equity affiliates. The list of companies included in the Group consolidation is given in Note 26. All consolidated companies have the same balance sheet date.

4.1.1 Subsidiaries

The subsidiaries are exclusively controlled by the Group and are consolidated under the full consolidation method. For these purposes, "exclusive control" means the power directly or indirectly to manage the financial and operational policies of a company in order to benefit from its business, which generally arises when the parent company holds more than half of the voting rights. When assessing the degree of control, potential voting rights that are currently valid are taken into account. Control is generally assumed to exist if the Group holds over 50% of the subsidiary's voting rights.

The subsidiaries' financial statements are included in the consolidated financial statements as from the date when exclusive control was acquired and until the date such control is lost.

Material transactions, balances and inter-company profits and losses between consolidated companies are eliminated.

Minority interests: minority interests are stated based on the fair value of the net assets acquired. Sales to minority interests result in gains or losses that the Group posts to income. Purchases of shares from minority interests result in goodwill, which represents the difference between the purchase price paid and the Group share of the book value of the net assets acquired. In line with the treatment for sales, issues of stock to minority interests without changing the consolidation method result in a dilution gain that is posted to other income.

4.1.2 Joint ventures

Joint ventures are legal entities over which the Group exercises joint control with a limited number of other shareholders based on a contractual agreement. Joint ventures are consolidated under the proportional consolidation method, whereby assets, liabilities, income and expenditure are consolidated in proportion to the Group's equity interest.

Material transactions, balances and inter-company profits and losses between consolidated companies are eliminated in proportion to the Group's equity interest.

4.1.3 Equity affiliates

Equity affiliates are legal entities in which the Group exercises significant influence over their financial and operational policies, which generally arises when the parent company holds between 20% and 50% of the voting rights.

Investments in equity affiliates are consolidated under the equity method. Goodwill in respect of equity affiliates is included in the book value of the investment.

4.2 Conversion of foreign currencies

4.2.1 Operating currency and reporting currency

The accounts are maintained in the operational currency of each Group company, i.e. the currency of the principal economic environment in which it operates, which is generally the local currency.

The consolidated financial statements are stated in euros, which is the operational and reporting currency of ID Logistics Group SA, the consolidating company.

4.2.2 Transactions in foreign currencies

Transactions denominated in foreign currencies are converted at the prevailing exchange rate as of the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted at the closing rate. Exchange gains and losses arising are posted to income.

Exchange differences on monetary assets and liabilities linked to a net investment in foreign subsidiaries are posted to currency reserves.

4.2.3 Conversion of subsidiaries' financial statements denominated in foreign currencies

Balance sheets of companies whose operational currency is not euros are converted into euros at closing rate and their income statements and cash flow statements are converted into euros at average rate for the year. The exchange difference arising is posted to shareholders' equity under "Exchange differences". If a company is sold or closed, the related cumulative exchange differences in shareholders' equity are posted to income for the period.

Goodwill is monitored in the currency of the subsidiary concerned.

There are no material Group subsidiaries in a hyperinflation country.

4.3 Business combinations and goodwill

4.3.1 Business combinations

On first-time consolidation, the identifiable assets, liabilities and contingent liabilities of the acquired company that meet IFRS accounting criteria are recorded at fair value as of the acquisition date, with the exception of non-current assets classified as assets held for sale, which are recorded at fair value net of selling costs.

Only identifiable liabilities that meet the accounting recognition criteria for an acquired company are recorded following an acquisition. Consequently, a restructuring liability is not recorded as a liability of the acquired company if it does not have the obligation, as of the acquisition date, to carry out the restructuring.

Goodwill is calculated based on the procedure described under paragraph 3.3.2 below.

Changes in the value of acquired companies' assets and liabilities accounted for on a temporary basis (due to outstanding work by independent experts or additional analysis) are recorded as backdated adjustments to goodwill if they are made within twelve months from the acquisition date and do not relate to events that have occurred since the acquisition date. After twelve months from the acquisition date, such adjustments are posted to income unless they relate to corrections of errors.

With respect to acquisitions of additional equity interests in a subsidiary, the difference between the price paid and the book value of the minority interests acquired, as included in the Group consolidated financial statements prior to the acquisition, is recorded as goodwill.

4.3.2 Goodwill

Goodwill is stated at cost and represents the excess of the purchase cost over the Group share of the net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary as of the acquisition date.

Negative differences between the purchase cost and the Group share of the net fair value of identifiable assets, liabilities and contingent liabilities acquired (i.e. negative goodwill) are posted to income for the year after verification.

Individual goodwill assets undergo impairment tests at least once a year or more frequently if events or changes in circumstances indicate a permanent loss in their value, based on valuation of the CGU to which they relate. Any impairment booked cannot be reversed.

Pursuant to the options available under IFRS 1 revised, the Group has not recalculated goodwill arising on acquisitions made before January 1, 2008. In accordance with IFRS 3, since January 1, 2008 goodwill is no longer amortized.

4.4 Intangible assets

Intangible assets are stated at cost less cumulative amortization and cumulative impairment.

Intangible assets primarily consist of assets subject to amortization such as software and patents. Intangible assets are amortized in fixed annual amounts over one to five years.

4.5 Property, plant and equipment

Property, plant and equipment is stated at cost less cumulative depreciation and cumulative impairment.

The cost of borrowings taken out to finance major capital expenditure, incurred during the period of construction, is included in the acquisition cost.

Investment grants are recorded as a deduction from the value of property, plant and equipment.

Land is not depreciated. Other property, plant and equipment is depreciated based on the following estimated useful lives:

Buildings	15 to 25 years
Building fixtures and fittings	10 years
Plant, machinery and tools	3 to 10 years
Vehicles	3 to 8 years
IT and office equipment	3 to 8 years

In view of the nature of the assets held, with the exception of buildings, no material asset components have been identified.

4.6 Leases

Pursuant to IAS 17 - Leases, leases are classified under two categories as follows:

- Finance leases
- Operating leases

Finance leases

Finance leases involve the transfer of substantially all risks and rewards of ownership of the assets in question.

Assets under finance leases are initially recorded under balance sheet assets at the lower of (i) the fair value of the leased asset and (ii) the discounted present value of the minimum lease payments under the lease, while posting a corresponding financial liability. Thereafter, balance sheet assets under finance leases are depreciated based on the same estimated useful lives as the other fixed assets in the same category and the payments in respect of the finance lease liabilities are broken down between repayment of the liability and interest costs.

Operating leases

All other leases are operating leases and are not adjusted for accounting purposes. Payments under operating leases are posted to operating expenses in the income statement.

4.7 Impairment of fixed assets

Impairment of property, plant and equipment and intangible assets

Pursuant to IAS 36 Impairment of assets, the Group measures the recoverability of its non-current assets based on the following procedure:

- For depreciated property, plant and equipment and intangible assets, management determines whether there is an indication of loss in value on such assets at each balance sheet date. Indications of loss in value are identified in relation to external or internal criteria. If applicable, an impairment test is carried out by comparing the net book value with the recoverable value, which is the higher of (i) the sales price less future selling costs and (ii) the value in use,
- For goodwill, an impairment test is carried out at least once a year and whenever an indication of loss in value is identified. Goodwill is tested in relation to the geographical region where the relevant business operates.

Value in use is calculated based on the discounted present value of the estimated future cash flows from using the assets. Future cash flows are taken from the three year business plans that are prepared and approved by management, plus a terminal value based on recurring discounted future cash flows including a growth rate to infinity. To ensure consistency, discount rates used are post-tax rates applied to cash flows after tax. The Group considers that use of these rates results in realizable values identical to those that would be obtained by using pre-tax rates applied to cash flows before tax.

Impairment recorded against goodwill cannot be reversed or written back.

Impairment on investments in equity affiliates

Impairment tests on the value of investments in equity affiliates are conducted whenever there is an indication of loss in value. Under these tests, the book value of investments in equity affiliates is compared to the Group share of the present value of future estimated cash flows for the equity affiliate concerned. If the book value of the investment exceeds the present value of future estimated cash flows, an impairment charge for the difference is booked against the value of the investment in the equity affiliate concerned.

Impairment write-backs on intangible assets (other than goodwill), property, plant and equipment and investments in equity affiliates

At every balance sheet date, the Group assesses whether new events or circumstances show that impairment booked in previous periods may be written back.

In this case, if recoverable value based on the new estimates exceeds the net book value of the relevant asset, the Group writes back the impairment for an amount limited to the book value after depreciation that would have resulted had the impairment not been recorded.

4.8 Financial assets

Financial assets are analyzed and classified into the following four categories:

- Financial assets stated at fair value via income including:
  - Financial assets held for trading purposes: a financial asset is classified in this category if it is purchased principally to be resold. The Group has no assets in this category.
  - Financial assets stated at fair value (an option available): the Group has no assets in this category.
  - Derivatives traded for hedging purposes but not documented as such.

- Financial assets held until maturity: these are non-derivative financial assets with fixed or determinable payments and a fixed maturity, which a company can and intends to hold until maturity. The Group has no assets in this category.
- Loans and other receivables: these are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. Loans and other receivables are included within current assets excluding those which mature in over 12 months, which are included under non-current assets. They mainly comprise customer receivables and deposits from the Group's operations.
- Available-for-sale financial assets: these are non-derivative instruments in this category or that cannot be allocated to any other category. This category includes equity securities in non-consolidated companies stated at fair value via shareholders' equity.

All financial assets not recorded at fair value via income are initially recorded at fair value plus transaction costs. Financial assets recorded at fair value via income are initially recorded at fair value and transaction costs are posted to expenses in the income statement. Thereafter they are valued at fair value as of each balance sheet date. Loans and other receivables are subsequently stated at amortized cost under the effective interest rate method.

The receivables are initially valued at fair value, which generally equals the amount invoiced. If they contain beneficial terms of payment for the counterparty (e.g. beneficial credit terms) and if the effect of discounting is material, these receivables are recorded at the present value of future cash flows discounted at market rates. These receivables are subsequently valued at amortized cost.

A bad debt accrual is recorded if there is a risk of non-realization, which is assessed individually based on the ageing of the financial assets.
Financial assets are written off if the right to receive any cash flow from these assets has expired or has been transferred and if the Group has transferred substantially all the risks and rewards of their ownership. If trade receivables are transferred with recourse against the transferor (in the form of a secured deposit or direct recourse) in the event of a payment default by the customer, such trade receivables may not be written off.

Gains and losses resulting from changes in the fair value of financial assets stated at fair value via income are included in income for the period when they arose.
The fair value of listed assets is based on current buy market prices. If there is no active market for a financial asset and in respect of unlisted securities, the Group determines fair value by using valuation techniques. Such valuation techniques include over the counter transactions, other similar instruments or a discounted cash flow analysis using as much market data as possible and not based wherever possible on in-house criteria.

4.9 Inventories

Inventories are stated at weighted average cost. If the market value is lower than cost, an impairment reserve is set aside.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash, sight bank deposits, highly liquid money-market investments with initial maturities of up to three months and bank overdrafts.

Positive bank accounts are shown under "Cash and cash equivalents" within balance sheet assets and negative bank balances are shown under "Bank overdrafts" within balance sheet liabilities.

Net cash and cash equivalents within the statement of consolidated cash flows represents the amount of cash and cash equivalents less bank overdrafts.

4.11 Financial liabilities

Borrowings and bank loans are first recorded at fair value, which is generally their face value less directly attributable transaction costs. Thereafter, financial liabilities are stated at cost less repayments. Any difference between the cost less repayments and the repayment value is taken to income based on the effective interest and the term of the borrowings. Liability derivatives are also stated at fair value. Other financial liabilities, excluding derivatives, are stated at cost less repayments.

4.12 Derivatives

The Group holds derivative financial instruments in order to reduce exposure to interest rate risks. The purpose of such instruments is to hedge against the financial risks facing the Group. Financial instruments are recorded as of the transaction date, i.e. when the hedge was contracted. However, only those that meet the hedge accounting criteria under IAS 39 on financial instruments are accounted for in the manner described below. Changes in fair value on financial instruments not qualifying as hedges are immediately posted to other financial income and expense.

All transactions qualifying as hedges are documented in relation to the hedging strategy specifying the risk hedged, the asset or liability hedged, the hedge itself, the hedging relationship and the method for measuring the effectiveness of the hedge. Measuring the effectiveness of the hedge is updated at each balance sheet date. Derivatives are initially recorded at fair value. Thereafter, fair value is updated at each balance sheet date by reference to market data. Asset and liability derivatives are shown as current or non-current depending on their maturity and that of their underlying assets and liabilities.

A cash flow hedge protects against fluctuations in cash flows arising from an asset or liability or a highly probable future transaction when such fluctuations are liable to affect earnings. At each balance sheet date, the effective portion of the hedge is posted to shareholders' equity and the ineffective portion is posted to income. When the transaction is recorded, the effective portion within shareholders' equity is transferred to income at the same time as recording the hedged asset or liability.

4.13 Staff benefits

Pursuant to the laws and practices in each country where it operates, the Group has various pension plans.

With respect to defined contribution plans, the Group has no liabilities other than to pay contributions.

With respect to defined benefit plans, the Group provides for its liability to pay defined levels of pensions to its employees.

Defined contribution plans

With respect to basic plans and other defined contribution schemes, the Group posts its contributions payable to expenses when they fall due and no accrual is recorded given that the Group has no commitment in addition to the contributions paid.

Defined benefit plans

With respect to defined benefit plans and one-off retirement compensation, the Group calculates its estimated liabilities every year in accordance with IAS 19 - "Employee benefits" based on the projected units of credit method.

This method takes into account future length of service probability, future level of pay, mortality probability and staff turnover on the basis of actuarial assumptions. The liability is discounted using an appropriate discount rate for each country where there are pension commitments. The expense is recorded in proportion to employees' years of service. If pensions are pre-financed by external funds, the assets held by these funds are valued at fair value as of the balance sheet date.

The cost of services rendered (which includes an increase in pension liabilities from the acquisition of one year's additional service), actuarial gains and losses and interest expense on the liability reflecting the reversal of the discounting effect, are all posted to the income statement. The long-term expected return on the pension fund's investments is deducted from expenses. All these expenses and income are recorded under underlying operating income except for the reversal of the discounting effect, which is included in net financial items.

Individual Right to Training

Costs incurred in respect of the *Droit Individuel à la Formation* (Individual Training Entitlement - "DIF") are recorded as expenses for the year and consequently are not accrued unless such costs can be considered as remuneration for past services and the liability towards the employee is probable or certain.
The number of employees' hours of training entitlement is disclosed in the notes to the financial statements.

4.14 Provisions and contingent liabilities

The Group books a provision when there is a legal or implicit obligation resulting from past events, which is expected to lead to an outflow of the Group's resources which represent economic benefits.

Provisions are discounted if the impact is material, and if so, the discounting effect is posted to operating income.

Contingent liabilities represent potential obligations resulting from past events that will only be confirmed if future uncertain events, which are not in the company's control, occur. Contingent liabilities also relate to current obligations for which an outflow of resources is not probable. Apart from those arising from business combinations, contingent liabilities are disclosed in the notes and not accrued.

4.15 Revenues

Income from normal operations is recognized within revenues if it is probable that the Group will receive future economic benefits therefrom and if the income can be reliably measured. Income from normal operations is recorded at the fair value of the related receivable.

Services income is recognized when the service is performed.

4.16 Taxation

Corporate income tax charges or income include current tax charges (income) and deferred tax charges (income). Tax charges (income) are recorded in income unless they relate to items within shareholders' equity, in which case they are posted to shareholders' equity.

Current tax

Current tax represents the estimated amount due in respect of taxable income for the period plus or minus any adjustment for current tax in respect of prior periods.

Deferred tax

Deferred tax is determined and recorded based on the liability method in respect of all timing differences between the book value of assets and liabilities and their tax base.

Deferred tax is not recorded for the following items:

(i) Taxable timing differences arising from the first-time recognition of goodwill, (ii) first-time recognition of an asset or liability in a transaction that is not a business combination and neither affects taxable income nor accounting earnings and (iii) timing differences arising from equity investments in subsidiaries if it is probable [*Translator note: this should perhaps be made consistent with the corresponding section on p. 138 "Deferred tax" para. 2, where the French text reads* "…il **n'est pas** probable qu'elles ne se renverseront pas…"] that such differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are computed at the expected tax rates applying in the periods when the asset will be realized or the liability paid, based on tax regulations that have been adopted or virtually adopted as of the balance sheet date. Deferred tax assets and liabilities are netted off if there is a legally enforceable right to offset current tax receivables and payables and if they relate to corporate income tax charged by the same tax authority for the same entity.

Deferred tax assets are only recognized if it is probable that the Group will have sufficient future taxable income against which the relevant timing differences can be offset. Deferred tax assets are reviewed every balance sheet date and are reduced to the extent that it is no longer probable that sufficient future taxable income will be available. To assess the Group's ability to realize deferred tax assets, the following items have been taken into account:

- Forecasts of future taxable income;
- Non-recurring costs that are included in past losses;
- Historical taxable income for previous years.

With respect to investments in subsidiaries, joint ventures and equity affiliates, a deferred tax liability is booked for all taxable timing differences between the book value of the investments and their tax base, unless:

- the Group can decide the date when such differences reverse, for instance for a dividend payout; and
- it is probable that such differences will not reverse in the foreseeable future.

4.17 Earnings per share

Basic earnings per share is calculated by dividing Group net income by the weighted average number of shares of common stock in issue during the year.

Diluted earnings per share is calculated by dividing adjusted Group net income by the weighted average number of shares of common stock in issue plus any potential future diluting shares excluding any treasury shares.

5 SEGMENT INFORMATION

Pursuant to IFRS 8 – "Operating segments", the information below for each operating segment is identical to that presented to the Principal Operational Decision Maker for purposes of deciding about the allocation of resources to the segment and assessing its performance.

An operating segment is a distinct component of the Group:

- which carries out businesses from which it receives income from ordinary activities and incurs expenses;
- for which operating earnings are regularly reviewed by the Group's Principal Operational Decision Maker with a view to taking decisions regarding resources to be allocated to the segment and to assessing its performance; and
- for which separate financial data is available.

The Group's Principal Operational Decision Maker has been identified as the Chairman and CEO and the Senior Vice President, who jointly take strategic decisions.

The Group's two operating segments are France and International, determined in accordance with IFRS 8.

The France segment is made up of subsidiaries with head offices in continental France.

The International segment is made up of subsidiaries with head offices in the following countries: Argentina, Brazil, China, Spain, La Réunion, Indonesia, Morocco, Poland and Taiwan.

Fixed assets are operating assets used by a segment for operational purposes. They include goodwill, intangible assets and property, plant and equipment. They do not include current assets used for operational purposes, deferred tax assets/liabilities or non-current financial assets.

Segment information, as presented to the principal decision makers relating to continuing operations, is as follows:

	12/31/2009			12/31/2008		
	France	International	Total	France	International	Total
Revenues	216,815	96,342	313,157	221,505	81,967	303,472
Inter-segment revenues	(3,083)	(264)	(3,347)	(3,617)	(68)	(3,685)
Net revenues	213,732	96,078	309,810	217,888	81,899	299,787
Operating income	8,979	190	9,169	4,850	1,335	6,185
Net cash flow from operating activities	17,108	(492)	16,616	28,350	(687)	27,663
Capital expenditure	11,161	3,134	14,295	9,626	1,665	11,291
Fixed assets	70,271	16,677	86,948	50,925	7,135	58,060
Headcount	2,115	3,706	5,821	1,911	3,201	5,112

6 NOTES RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AND CHANGES THERETO

6.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	TOTAL
Gross:			
At January 1, 2008.	32,997	2,432	35,429
Acquisitions	-	1,447	1,447
Disposals	-	(183)	(183)
Change in consolidation	-	-	-
Exchange gains (losses)	-	(70)	(70)
Reclassification	-	-	-
At December 31, 2008:	32,997	3,626	36,623
Acquisitions	-	1,355	1,355
Disposals	-	(58)	(58)
Change in consolidation	26,372	-	26,372
Exchange gains (losses)	-	106	106
Reclassification	-	-	-
At December 31, 2009:	59,369	5,029	64,398
Cumulative depreciation and impairment			
At January 1, 2008.	-	1,089	1,089
Depreciation for the year	-	916	916
Impairment	-	-	-
Disposals	-	(125)	(125)
Change in consolidation	-	-	-
Exchange gains (losses) and reclassifications	-	(27)	(27)
At December 31, 2008:	-	1,853	1,853
Depreciation for the year	-	1,060	1,060
Impairment	-	-	-
Disposals	-	(31)	(31)
Change in consolidation	-	-	-
Exchange gains (losses) and reclassifications	-	54	54
At December 31, 2009:	-	2,936	2,936
Net:			
At December 31, 2008:	32,997	1,773	34,770
At December 31, 2009:	59,369	2,093	61,462

The Group has no encumbrances on the use of its fixed assets.

When the Group acquired a 44.5% stake in its subsidiary Financière de Commerce et de Participations from the minority interests, goodwill was established under the procedure described in paragraph 3.3.1.

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross:					
At January 1, 2008.	8,382	21,969	9,106	186	39,643
Acquisitions	731	4,453	3,926	734	9,844

Disposals	(61)	(1,120)	(1,474)	(2)	(2,657)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	49	(319)	(70)	-	(340)
Reclassification	-	-	-	-	-
At December 31, 2008:	9,101	24,983	11,488	918	46,490
Acquisitions	1,396	6,678	3,687	1,179	12,940
Disposals	(760)	(4,633)	(2,838)	(718)	(8,949)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	25	457	87	-	569
Reclassification	-	48	98	(146)	-
At December 31, 2009:	9,762	27,533	12,522	1,233	51,050
Cumulative depreciation and impairment					
At January 1, 2008:	3,524	9,931	3,782	-	17,237
Depreciation for the year	971	4,558	3,125	16	8,670
Impairment	-	-	-	-	-
Disposals	(47)	(1,120)	(1,388)	-	(2,555)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassifications	15	(151)	(16)	-	(152)
At December 31, 2008:	4,463	13,218	5,503	16	23,200
Depreciation for the year	883	5,537	3,161	(16)	9,565
Impairment	-	-	-	-	-
Disposals	(747)	(4,442)	(2,325)	-	(7,514)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassifications	10	278	25	-	313
At December 31, 2009:	4,609	14,591	6,364	-	25,564
Net:					
At December 31, 2008:	4,638	11,765	5,985	902	23,290
At December 31, 2009:	5,153	12,942	6,158	1,233	25,486

The net value of the plant and equipment includes assets held under finance leases amounting to €14,232K as of December 31, 2009 and €13,665K as of December 31, 2008.
The Group has no encumbrances on the use of its fixed assets.

Note 3: Goodwill and impairment tests on long-term assets

The principal assumptions used for impairment tests are as follows:

Business sector	2009			2008		
	Value of related goodwill	Discount rate	Growth rate to infinity	Value of related goodwill	Discount rate	Growth rate to infinity
France	48,258	10,4%	2%	30,405	10,7%	2%
International	11,111	10,4 – 14,6%	2%	2,592	10,7 – 14,8%	2%

All Cash Generating Units underwent impairment tests in respect of 2008 and 2009, which did not result in any impairment.

	France	International	Total
Net value of goodwill as of 1/1/2008	30,405	2,592	32,997
Change in goodwill	-	-	-
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Net value of goodwill as of 12/31/2008	30,405	2,592	32,997
Change in goodwill	17,853	8,519	26,372
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Net value of goodwill as of 12/31/2009	48,258	11,111	59,369

A 0.5% increase in the discount rate would not lead to any impairment being recorded.

A 0.5% decrease in the discount rate would not lead to any impairment being recorded.

Note 4: Investment in equity affiliates

Key information concerning equity affiliates based on their separate financial statements is as follows:

	Equity interest (%)	Investment in equity affiliates	Shareholders' equity	Revenues	Net income
December 31, 2008					
ID Log	26%	37	75	6,116	24
ID Trans	26%	48	96	2,072	49
Froid Combi	13%	348	1,366	10,618	104
Total		433			
ID Log	48%	497	343	7,103	278
ID Trans	48%	312	328	3,245	252
Froid Combi	24%	349	1,372	11,140	96
Total		1,158			

	2009	2008
At January 1	433	439
Share of earnings of equity affiliates	287	63
Dividends received	(36)	(69)
Goodwill	474	
Acquisition of equity affiliates		

At December 31	1,158	433

Note 5: Other financial assets

Other non-current financial assets

	12/31/2009	12/31/2008
Deposits and sureties	576	1,254
Investment in non-consolidated companies	71	140
Total net value	647	1,394

Provisions on non-current financial assets

	12/31/2009	12/31/2008
At January 1	(41)	(69)
Charges	(2)	(18)
Write-backs		46
At December 31	(43)	(41)

Other current financial assets

	12/31/2009	12/31/2008
Deposits for security	1,039	2,958
Other receivables	1,972	11,822
TOTAL	3,011	14,780

There is no provision against deposits for security as of December 31, 2008 or December 31, 2009.

The reduction in other receivables came about due to the settlement by offset against the payable arising on the additional equity stake purchased in Financière de Commerce et de Participations for €10,034K, as specified under 2009 Highlights.

Note 6: Inventories

Inventories amounted to €328K at December 31, 2009 compared to €207K at December 31, 2008. Inventories exclusively consist of diesel fuel.

Note 7: Trade and other current receivables

	12/31/2009	12/31/2008
Trade receivables	50,076	47 896
Impairment provisions	(122)	(113)
Total trade receivables - net	49,954	47 783
Tax and social security receivables	12,362	12 396
Payments on account and advances	12	190
Prepaid expenses	664	664
Total other receivables - net	13 541	13,250

Tax and social security receivables largely consist of value added tax or the equivalent for foreign subsidiaries.

Trade receivable bad debt provisions:

	2009	2008
At January 1	(113)	(819)
Charges	(31)	(112)
Write-backs	22	818
At December 31	(122)	(113)

Maturity of trade receivables

	Total	Not due and not impaired	Due in less than 90 days	Due in more than 90 days
12/31/2009	50,076	38,821	10,723	532
12/31/2008	47,896	40,360	6,750	786

There is no material risk of bad debts in respect of the due receivables.

Note 8: Net cash and cash equivalents

	12/31/2009	12/31/2008
Cash and cash equivalents	11,212	7,452
Bank overdrafts	(1,000)	(1,397)
Net cash and cash equivalents	10,212	6,055

Group cash and cash equivalents of €11,212K at December 31, 2009 comprise cash, sight bank deposits and money-market investments amounting to €256K. As of December 31, 2008, Group cash and cash equivalents comprised cash, sight bank deposits and money-market investments amounting to €386K.

Note 9: Issued capital stock and additional paid-in capital

	Transaction type	Change in capital			Capital stock after transactions	
		Number of shares	Par value (€)	Additional paid-in capital (€)	Value (€)	Number of shares
At January 1, 2008.					1,295,820	129,582
At December 31, 2008:					1,295,820	129,582
12/21/2009	Share issue For cash (1)	75,711	10	22,887,435	757,110	75 711
At December 31, 2009:				22,887,435	2,052,930	205,293

(1) See Highlights of the year.

Note 10: Financial liabilities

Borrowings as of December 31, 2009

	12/31/2009	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	307		307	
Finance leases	9,186		8,969	217
Other borrowings	330		330	

Total non-current borrowings	9,823		9,606	217
Current borrowings				
Bank loans	5,153	5,153		
Finance leases	6,378	6,378		
Factoring	12,204	12,204		
Other borrowings	144	144		
Total current borrowings	23,879	23,879		
Total borrowings	33,702	23,879	9,606	217

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	5,060	EUR	Variable
Loan	400	EUR	Fixed
Factoring	12,204	EUR	Variable
Finance leases	703	BRL	Fixed
Finance leases	12,866	EUR	Fixed
Finance leases	1,995	EUR	Variable
Other payables	474	EUR	Fixed
		EUR	
Total	33,702	EUR	

Borrowings as of December 31, 2008

	12/31/2008	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	400		400	
Finance leases	7,867		7,730	137
Other borrowings	450		450	
Total non-current borrowings	8,717		8,580	137
Current borrowings				
Bank loans	6,955	6,955		
Finance leases	6,704	6,704		
Factoring	7,771	7,771		
Other borrowings	441	441		
Total current borrowings	21,871	21,871		
Total borrowings	30,588	21,871	8,580	137

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	6,867	EUR	Variable
Loan	488	EUR	Fixed
Factoring	7,771	EUR	Variable
Finance leases	186	BRL	Fixed
Finance leases	10,796	EUR	Fixed
Finance leases	3,588	EUR	Variable
Other payables	891	EUR	Fixed

Total	30,588

Bank covenants

In July 2005, the Group issued senior debt subject to three financial ratios (see paragraph 10.1.4).

As of December 31, 2008 and December 31, 2009, the Group did not comply with all the ratios.
The Group received waivers after the balance sheet date. Consequently, the senior debt, for which the outstanding balance amounted to €6,868K and €5,060K respectively, was reclassified under current borrowings at the balance sheet dates.

Note 11: Provisions

	Social security and tax risks	Operating risks	Staff benefits	Other	Total
At January 1, 2008	2,706	2,955	567	-	6,228
Charges	779	1,077	156	-	2,012
Write-backs used	(795)	(1,213)	(19)		(2,027)
Write-backs not used	(55)	(40)		-	(95)
Other changes		(36)			(36)
At December 31, 2008	2,635	2,743	704	-	6,082
Charges	859	1,724	219	-	2,802
Write-backs used	(434)	(1,194)	(34)		(1,662)
Write-backs not used	(35)	(150)		-	(185)
Other changes	48	2			50
At December 31, 2009	3,073	3,125	889	-	7,087
Of which current provisions	3,073	3,125			6,198
Of which non-current provisions			889	-	889

The provisions for operating risks primarily relate to disputes with customers and lessors.

Note 12: Deferred tax

	12/31/2009	12/31/2008
Deferred tax assets	7,357	8,728
Deferred tax liabilities	(477)	(477)
Net deferred tax	6,880	8,251

Deferred tax in the balance sheet can be broken down as follows:

	12/31/2009			12/31/2008		
	Deferred tax assets	Deferred tax liabilities	Total	Deferred tax assets	Deferred tax liabilities	Total
Property, plant and equipment and finance leases	204	(635)	(431)	227	(473)	(246)
Provisions and staff benefits	3,002	-	3,002	2,051		2,051
Tax losses carried forward	4,302	-	4,302	6,387		6,387
Other items	67	(60)	7	63	(4)	59
Offsets	(218)	218	-			
Total	7,357	(477)	6,880	8,728	(477)	8,251

Deferred tax changed as follows:

	Property, plant and equipment and finance leases	Provisions and staff benefits	Tax losses carried forward	Other items	Total
Deferred tax as of January 1, 2008	(227)	1,206	7,468	(23)	8,424
Amounts posted to income	(19)	845	(1,081)	28	(227)
Amounts posted to shareholders' equity				54	54
Deferred tax as of December 31, 2008	(246)	2,051	6,387	59	8,251
Amounts posted to income	(185)	951	(2,085)	134	(1,185)
Amounts posted to shareholders' equity				(186)	(186)
Deferred tax as of December 31, 2009	(431)	3,002	4,302	7	6,880

The deferred tax assets arising from unrelieved tax losses were based on future taxable income calculated over a reasonable time frame.

The Group's unrelieved tax losses as of December 31, 2009, for which no deferred has been recognized, amounted to €15,688K representing €5,229K of uncapitalized deferred tax assets.

The Group's unrelieved tax losses as of December 31, 2008, for which no deferred has been recognized, amounted to €13,402K representing €4,467K of uncapitalized deferred tax assets.

Timing differences from equity affiliates and joint ventures are not material.

Note 13: Trade and other payables

	12/31/2009	12/31/2008
Trade payables	42,754	41,372
Tax and social security payables	44,423	42,616
Advances and payments on account received	755	8,763
Creditor current accounts and other current payables	3,838	2,755
Deferred income	3,895	1,830
Total other payables	52,911	55,964

All the trade and other payables fall due in less than one year.

Note 14: Derivatives and risk management

The Group's principal financial liabilities consist of bank loans and overdrafts, finance lease liabilities, factoring liabilities and trade payables.

Furthermore, the Group holds financial assets consisting mainly of trade receivables, deposits as security or endorsements, loans and available cash and cash equivalents. These arise from the Group's operations.

The table below specifies the book value and the fair value of the financial instruments recorded in the consolidated balance sheet.

12/31/2009	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Undocumented derivatives	Closing book value	Fair value
Non-current financial assets	71	576				647	647
Trade receivables		49,954				49,954	49,954
Current financial assets		3,011				3,011	3,011
Cash and cash equivalents		11,212				11,212	11,212
Total financial assets	71	64,753	-	-		64,824	64,824
Borrowings			18,138	15,564		33,702	33,702
Trade payables			42,754			42,754	42,754
Other payables			3,838			3,838	3,838
Liability derivatives					589	589	589
Bank overdrafts			1,000			1,000	1,000
Total financial liabilities	-	-	65,730	15,564	589	81,883	81,883
12/31/2008	**Fair value via shareholders' equity**	**Loans and other receivables at amortized cost**	**Financial liabilities at cost less repayments**	**Finance leases**	**Undocumented derivatives**	**Closing book value**	**Fair value**
Non-current financial assets	140	1,254				1,394	1,394
Trade receivables		47,783				47,783	47,783
Current financial assets		26,602				26,602	26,602
Cash and cash equivalents		7,452				7,452	7,452
Total financial assets	140	83,091	-	-		83,231	
Borrowings			16,018	14,570		30,588	30,588
Trade payables			41,372			41,372	41,372

Other payables			2,755			2,755	2,755
Liability derivatives					26	26	26
Bank overdrafts			1,397			1,397	1,397
Total financial liabilities	-	-	61,542	14,570	26	76,138	76,138

The fair value of the current assets and liabilities is close to the book value given the very low impact of discounting and credit risk.

Group management considers that the balance sheet value of the non-current financial assets represents a reasonable approximation of their fair value. Group management considers that the balance sheet value of the non-current financial liabilities represents a reasonable approximation of their fair value.

Bank loans mainly consist of loans at variable interest rates and fixed-rate finance lease liabilities. The fair value of variable rate loans approximately equals their net book value. The net book value of non-current payables equals the discounted present value of the minimum amounts payable. Group management considers that this value represents a reasonable approximation of their fair value.

Management of financial risks

The main risks of the Group's financial instruments are interest rate, exchange rate and liquidity risks.

Interest rate risk

Loan contracts are approved by the Group Finance Department and are predominately contracted by the French legal entities.

As of December 31, 2009, before taking account of hedges, 57% of borrowings are contracted at variable rates and 43% at fixed rates. A 1% increase in average interest rates would result in an additional €193K interest expense within net financial items.

The maturity of borrowings is detailed under Note 10. Trade and other payables represent current operating liabilities and largely fall due in less than one year.

Exchange rate risk

The Group regularly revalues its exposure to exchange rate risk. As of December 31, 2009, no specific hedge was taken out in respect of amounts denominated in currencies other than euros. The total value of foreign currency assets and liabilities as of December 31, 2009 is broken down as follows:

Foreign currency amount	TWD	CNY	BRL	PLN	ARS	Other	Total
Assets excluding goodwill	5,594	1,647	12,487	1,969	1,345	613	23,656
Liabilities	(3,594)	(853)	(10,799)	(2,279)	(867)	(362)	(18,754)
Net balance before management	2,000	795	1,688	(310)	478	251	4,901
Management	-	-	-	-	-	-	-
Net balance after management	2,000	795	1,688	(310)	478	251	4,901

The total value of foreign currency assets and liabilities as of December 31, 2008 is broken down as follows:

Foreign currency amount	TWD	CNY	BRL	PLN	Other	Total
Assets excluding goodwill	5,674	768	7,432	2,074	697	16,646
Liabilities	(4,265)	(270)	(6,645)	(1,888)	(178)	(13,246)
Net balance before management	1,409	498	787	186	519	3,400
Management	-	-	-	-	-	-
Net balance after management	1,409	498	787	186	519	3,400

Liquidity risk

The Group is financed principally from available cash, factoring, bank overdrafts, finance leases and a syndicated banking loan.

Based on prevailing exchange rates and interest rates as of December 31, 2009, as well as on the contractual loan maturity dates, nominal cash flows related to financial liabilities were as follows:

		Due in less than 1 year			Due in 1 to 5 years			Due in more than 5 years		
12/31/2009	Book value	Fixed rate interest expense	Variable rate interest expense	Re-payment	Fixed rate interest expense	Variable rate interest expense	Re-payment	Fixed rate interest expense	Variable rate interest expense	Re-payment
Bank overdrafts	1,000			1,000						
Finance leases	15,564	812	73	6,378	956	4	8,969	10	-	217
Loans	5,460	19	122	1,893	31	91	3,567	-	-	-
Factoring	12,204	-	-	12,204	-	-	-	-	-	-
Other liabilities	474	16	-	144	18	-	330	-	-	-
Trade payables	42,754			42,754						
Other payables	3,838			3,838						
	81,294	847	195	68,211	1 005	95	12,866	10	-	217
Interest rate swap	310			310						
Interest rate cap	279			279						
	589			589						

12/31/2009	Of which confirmed		Of which non-confirmed	
	Amount drawn	Amount not drawn	Amount drawn	Amount not drawn

Credit lines available					
Finance lease liabilities	10,403	3,810	893	1,809	3,891
Borrowings	10,680			945	9,735

The Group regularly revalues its exposure to liquidity risk. As of December 31, 2009, management believes it can meet its future liabilities as they fall due.

As stated under Note 10, the loan is subject to financial ratios. As of December 31, 2009 and December 31, 2008, certain ratios were not in compliance. Given that the banks' waivers were received after the balance sheet date, the payables amounting to €3,259K as of December 31, 2009 and €5,061K as of December 31, 2008 were reclassified under payables due in less than one year even if the banking syndicate has not demanded early repayment.

Note 15: Financial instruments

As stated under Note 10, a portion of the Group's borrowings is contracted at variable rates based on EURIBOR 3 months or EURIBOR 1 month. In order to limit exposure to an increase in rates, the Group has contracted interest rate hedging instruments.

The instruments in question consist of:

- Interest rate swaps (variable EURIBOR 3 months exchanged for a fixed rate) representing a total par value of €6,167K as of December 31, 2009 and €6,797K at December 31, 2008. These contracts have maturities of between one and five years as of December 31, 2009.
- Interest rate caps (limiting variable EURIBOR 3 months to a fixed rate) signed in 2009 and representing a total par value of €20,000K as of December 31, 2009.

Financial costs include changes in fair value of undocumented derivatives regarding hedges. The impact of these gains and losses is described in the table below.

		Recorded fair value		Posted to	
	Par value	Assets	Liabilities	Income	Shareholders' equity
Interest rate swaps	6,797	-	26	(83)	-
Interest rate cap					
December 31, 2008		-	26	(83)	-
Interest rate swaps	6,167	-	310	(283)	-
Interest rate cap	20,000	-	279	(279)	-
December 31, 2009		-	589	(562)	-

Note 16: Staff benefits

The principal assumptions used for actuarial valuations of the plans are as follows:

France	12/31/2009	12/31/2008
Discount rate	4,64%	5,22%
Annual wage increases	2,00%	2,00%
Social security charge rate	45%	45%
Staff turnover	12%	12%
Retirement age	65	65
Survival table	TH 00 02	TH 00 02
Entitlements table	CC Transport	CC Transport

Amounts recorded in respect of one-time retirement compensation are as follows:

	12/31/2009	12/31/2008
Present value of the liability	889	704
Cost of past services not recorded		
Fair value of the pension plan assets		

Net balance sheet liability	889	704

The sensitivity of the present value of the liability to the discount rate is as follows:

	Annual discount rate		
	3.64%	4.64%	5.64%
	(-100 basis points)	(Base discount rate)	(+100 basis points)
Present value of the liability	994	889	799

Amounts recorded in the income statement in respect of pension commitments are as follows:

	12/31/2009	12/31/2008
Cost of services rendered during the year less services paid for during the year	91	38
Interest on the liability	34	29
Actuarial gains/losses arising during the year	60	70
Net expense recorded against income	185	137
Of which under operating income	*151*	*108*
Of which under other financial income and expenses	*34*	*29*

The expense for the year is included in Staff costs in the income statement.

Changes in the present value of pension liabilities can be broken down as follows:

	12/31/2009	12/31/2008
Liabilities brought forward	704	567
Cost of services	125	57
Interest	34	29
Actuarial gains/losses	60	70
Services paid	(34)	(19)
Liabilities carried forward	889	704

The details of the plans for the current year and prior year can be broken down as follows:

	12/31/2009	12/31/2008
Present value of the liabilities	889	704
Fair value of the pension plan assets	-	-
Net liability	889	704

6.2 Income statement notes

Note 17: Net financial items

	12/31/2009	12/31/2008
Interest and related income	224	549
Total financial income	224	549
Interest and related expenses	(2,991)	(3,910)
Fair value adjustments on financial instruments	(562)	(83)
Discounting of pension liabilities	(34)	(29)
Other financial expenses	(130)	(17)
Total financial expenses	(3,717)	(4,039)
Total	(3,493)	(3,490)

Interest and related expenses largely relate to bank loans, financial lease liabilities and bank overdrafts.

The net cost of debt amounted to €2,767K in 2009 and €3,361K in 2008.

Note 18: Corporate income tax

	12/31/2009	12/31/2009
Current tax charge/(income)	481	32
Deferred tax charge/(income)	1,185	227
Total tax	1,666	259

The reconciliation between the theoretical tax charge/(income) and the actual tax charge/(income) recorded is as follows:

	12/31/2009	12/31/2008
Total consolidated net income	4,297	2,499
Corporate income tax	1,666	259
Earnings in equity affiliates	(287)	(63)
Income before tax	5,676	2,695
Statutory tax rate	34,43%	34,43%
Theoretical tax	1,954	928
Permanent differences	(952)	(1,166)
Losses for the year not recognized	990	192
Use and recognition of prior losses not recognized	(294)	(14)
Other taxes	83	377
Differences in tax rates	(115)	(58)
Actual tax recorded	1,666	259
Effective tax rate	29,35%	9,61%

The French 2010 Finance Act, voted in the French parliament December 30, 2009, cancelled *Taxe Professionnelle* (regional business tax) for French tax-paying businesses with effect from 2010 and replaced it by *Contribution Economique Territoriale*, which consists of the following two taxes:

- *Cotisation Foncière des Entreprises* (CFE – business property tax) based on the existing property rental values under *Taxe Professionnelle*;
- *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE – tax on business added value), based on the added value stated in the company financial statements.

The Group considered that the above tax charge in reality represented a replacement of *Taxe Professionnelle* by two new taxes of different types: while CFE continues to be posted to miscellaneous taxes under operating income, CVAE is included under the line Corporate income tax as from 2010. In accordance with IAS 12, classifying CVAE as Corporate income tax has resulted, as from December 31, 2009, in recording deferred tax on the timing difference as of December 31, 2009 by offset against a net expense in the income statement for the year. This deferred tax expense is included under the line "Corporate income tax" under the heading "Impact of other taxes" above.

Note 19: Earnings per share

(no. of shares)	12/31/2009	12/31/2008
Average number of shares in issue	131,656	129,582
Average number of shares	131,656	129,582

One of the Group's subsidiaries issued shares with equity warrants, all of which were held by one of the shareholders of ID Logistics Group SA as of December 31, 2009. If this shareholder decided to exercise all of its equity warrants, the distribution of net income between the Group share and minority interests would be modified.

In such an event, net income Group share would amount to €1,838K for 2009 and €1,152K for 2008.

6.3 Other information

Note 20: Change in working capital

	12/31/2009	12/31/2008
Inventories	(121)	36
Trade receivables	(2,170)	7,027
Trade payables	1,380	(3,518)
Operating working capital	(911)	3,545
Other receivables	(554)	8,650
Other payables	(2,128)	(688)
Non-operating working capital	(2,682)	7,962
Change in working capital	(3,593)	11,507

Note 21: Headcount

The number of employees under open ended employment contracts at December 31 was as follows:

(no.)	31/12/2009	31/12/2008
Managers	230	220
Non-managers	5,591	4,892
Total	5,821	5,112

Note 22: Transactions with related parties

Transactions were undertaken at normal market conditions between the Group and affiliated companies as follows:

Company	Type of relationship	Transaction type	Income (expense)		Balance sheet asset or (liability)	
			12/31/2009	12/31/2008	12/31/2009	12/31/2008
Comète	Joint director	Services provided	(515)	(480)	(237)	(83)
Immod	Joint shareholder	Interest on finance	118	366	(689)	10,020
		Services provided	545	72		
Les Parcs du Lubéron Holding	Joint director	Services provided	4	9	11	11
Les Parcs du Lubéron Gestion	Joint director	Services provided	128	36	72	38

Transactions with equity affiliates, which are signed at normal market conditions, related to ongoing administrative services and in total are not material in relation to the Group's business.

Note 23: Directors' remuneration

The Chairman does not receive any remuneration from the Group. He receives remuneration from Comète, in which he holds a 95.97% equity stake, and which has signed services agreements with various Group subsidiaries. The services specified in these agreements include management related to strategy and sales growth.

The amounts of the aforementioned services are specified under Note 22.

Note 24: Commitments and contingencies

The Group's signed commitments at the balance sheet date were as follows:

	12/31/2009	12/31/2008
Commitments given		
Real estate leases	40,296	41,973
Plant and equipment leases	19,444	15,195
Parent company guaranties	3,941	3,702

Borrowings subject to covenants	5,060	6,868
Individual training entitlements ("DIF"), no. of hours	155,000	107,400
Commitments received		
Bank guarantees	6,946	7,319

Commitments given in relation to real estate and plant and equipment leases were as follows:

	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
At December 31, 2009				
Real estate leases	15,463	23,879	954	40,296
Plant and equipment leases	6,556	12,142	746	19,444
At December 31, 2008				
Real estate leases	14,778	26,634	561	41,973
Plant and equipment leases	5,418	9,434	343	15,195

Furthermore, as of December 31, 2009, the Group was in the process of constructing a warehouse in France, which was deliverable in the first half of 2010, representing total future capital expenditure of €32,000K. Payment for this capital expenditure is made in installments in line with construction progress and is subsequently financed by a lease once the warehouse is delivered.

Note 25: Post balance sheet events

There were no events between the balance sheet date and the date when the consolidated financial statements were approved.

Note 26: List of consolidated subsidiaries, joint ventures and equity affiliates

	Country	Equity interest (%)			Control (%)		Cons. method
		2009	2008		2009	2008	
ID Logistics Group SA	France						Parent company
Ficopar	France	95%	51%	95%	51%	95%	FC
ID Logistics	France	95%	51%	100%	100%	95%	FC
ID Logistics France	France	95%	51%	100%	100%	95%	FC
ID Logistics France 2	France	95%	51%	100%	100%	95%	FC
ID Logistics France 3	France	95%	51%	100%	100%	95%	FC
ID Logistics Training	France	95%	51%	100%	100%	95%	FC
FC Logistique R&D	France	95%	51%	100%	100%	95%	FC
La Flèche	France	95%	51%	100%	100%	95%	FC
La Financière du Lubéron	France	95%	51%	100%	100%	95%	FC
ID Projets	France	95%	51%	99%	99%	95%	FC
Immod 1	France	95%	51%	100%	100%	95%	FC
ID Logistics Entrepot	France	95%	51%	100%	100%	95%	FC
Froid Combi	France	24%	13%	25%	25%	24%	EM
Interflèche	France	95%	51%	100%	100%	95%	FC

ID Logistics Taiwan	Taiwan	57%	31%	60%	60%	57%	FC
ID Logistics Do Brasil	Brazil	95%	51%	100%	100%	95%	FC
ID Log	DOM**	48%	26%	50%	50%	48%	EM
ID Trans	DOM	48%	26%	50%	50%	48%	EM
ID Logistics Océan Indien	DOM	48%	26%	51%	51%	48%	FC
ID Logistics Maurice	Maurice	95%	51%	100%	100%	95%	FC
Group Logistics - IDL Espana	Spain	95%	51%	100%	100%	95%	FC
ID Logistics Maroc	Morocco	57%	31%	60%	60%	57%	FC
ID Logistics China Hong Kong	China	95%	51%	100%	100%	95%	FC
Nanjing ID Business Consultation	China	95%	51%	100%	100%	95%	FC
ID Logistics Nanjing	China	95%	51%	100%	100%	95%	FC
ID Consulting Shanghai	China	95%	51%	100%	100%	95%	FC
Pt. Inti Dinamika Logitama Indonesia	Indonesia	95%	51%	100%	100%	95%	FC
ID Logistics Polska	Poland	95%	51%	100%	100%	95%	FC
ID Logistics A	Argentina	86%	46%	90%	90%	86%	FC
ID Supply Chain	Argentina	51%	28%	60%	60%	51%	FC
Luxembourg Transport Organisation	Luxembourg	95%	51%	100%	100%	95%	FC

* FC: full consolidation, EM: equity method
** DOM: *Départment d'outre-mer* = French Overseas Department

7 TRANSITIONAL PERIOD FOR ADOPTION OF IFRS

Reconciliation of the income statement for the year ended December 31, 2008 between French GAAP and IFRS

Scope	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	ID Group	ID Group	ID Group
2008 Income Statement (€000)	12/31/2008 French GAAP and IAS/IFRS presentation	IAS 12 Income tax	IAS 17 Leases	IAS 19 Staff benefits	IAS 21 Exchange differences	IAS 27 Ad-hoc entities	IAS 31 Investment in joint ventures	IAS 32 Financial instruments	IAS 36 Asset impairment	12/31/2008 IAS/IFRS	Group Balance sheet	Adjustments	12/31/2008 IAS/IFRS
Net revenues	**307,682**					**(247)**	**(7,648)**			**299,787**	**7**	**(7)**	299,787
Operating expenses excl. provisions	(296,724)		5,357	(109)		(67)	7,208			(284,335)	(9)	7	(284,337)
Provision increases and write-backs	(3,557)		(5,995)			(7)	294			(9,265)			(9,265)
Underlying operating income	**7,401**	**-**	**(638)**	**(109)**	**-**	**(321)**	**(146)**	**-**	**-**	**6,187**	**(2)**	**-**	**6,185**
Goodwill amortization	(1,735)						-		1,735	-			-
Operating income	**5,666**	**-**	**(638)**	**(109)**	**-**	**(321)**	**(146)**	**-**	**1,735**	**6,187**	**(2)**	**-**	**6,185**
Financial income	553						(4)			549			549
Financial expenses	(3,016)		(1,148)	(29)	198		39	(83)		(4,039)			(4 039)
Group income before tax	**3,203**	**-**	**(1,786)**	**(138)**	**198**	**(321)**	**(111)**	**(83)**	**1,735**	**2,697**	**(2)**	**-**	**2 695**
Income tax	(994)	43	595	46			23	28		(259)			(259)
Share of earnings of equity affiliates	26						37			63			63
Net income	**2,235**	**43**	**(1,191)**	**(92)**	**198**	**(321)**	**(51)**	**(55)**	**1,735**	**2,501**	**(2)**	**-**	**2,499**
Minority interests	(71)						44			(27)		(1,225)	(1,252)
Group net income	**2,164**	**43**	**(1,191)**	**(92)**	**198**	**(321)**	**(7)**	**(55)**	**1,735**	**2,474**	**(2)**	**(1,225)**	**1,247**

Reconciliation of the income statement for the year ended December 31, 2009 between French GAAP and IFRS

Scope	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	ID Group	ID Group	ID Group
2009 Income Statement (€000)	12/31/2009 French GAAP and IAS/IFRS presentation	IAS 12 Income tax	IAS 16 Deferred expenditure	IAS 17 Leases	IAS 19 Staff benefits	IAS 21 Exchange differences	IAS 27 Ad-hoc entities	IAS 31 Investment in joint ventures	IAS 32 Financial instruments	IAS 36 Asset impairment	12/31/2009 IAS/IFRS	Group balance sheet	Adjustments	12/31/2009 IAS/IFRS
Net revenues	**319,052**						**398**	**(9,640)**			**309,810**	**8**	**(8)**	309,810
Operating expenses excl. provisions	(305,311)		(18)	7,538	(151)		(65)	8,761			(289,246)	(14)	8	(289,252)
Provision increases and write-backs	(5,152)			(6,440)			(7)	210			(11,389)			(11,389)
Underlying operating income	**8,589**	**-**	**(18)**	**1,098**	**(151)**	**-**	**326**	**(669)**	**-**	**-**	**9,175**	**(6)**	**-**	**9,169**
Goodwill amortization	(1,735)									1,735	-			-
Operating income	**6,854**	**-**	**(18)**	**1,098**	**(151)**	**-**	**326**	**(669)**	**-**	**1 735**	**9 175**	**(6)**	**-**	**9,169**
Financial income	802					(574)		(4)			224			224
Financial expenses	(2,326)			(981)	(34)	102		42	(514)		(3,711)	(6)		(3,717)
Group income before tax	**5,330**	**-**	**(18)**	**117**	**(185)**	**(472)**	**326**	**(631)**	**(514)**	**1,735**	**5,688**	**(12)**	**-**	**5,676**
Income tax	(2,277)	340		(41)	62			79	171		(1,666)			(1,666)
Share of earnings of equity affiliates	24							263			287			287
Net income	**3,077**	**340**	**(18)**	**76**	**(123)**	**(472)**	**326**	**(289)**	**(343)**	**1,735**	**4,309**	**(12)**	**-**	**4,297**
Minority interests	(595)	(13)	7	3				277			(321)		(1,975)	(2,296)
Group net income	**2,482**	**327**	**(11)**	**79**	**(123)**	**(472)**	**326**	**(12)**	**(343)**	**1,735**	**3,988**	**(12)**	**(1,975)**	**2,001**

Reconciliation between the December 31, 2007 French GAAP balance sheet and the January 1, 2008 IFRS opening balance sheet

Scope	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	ID Group	ID Group	ID Group	ID Group
2007 Balance Sheet (€000)	12/31/2007 French GAAP and IAS/IFRS presentation	IAS 12 Income tax	IAS 16 PP&E	IAS 17 Leases	IAS 19 Staff benefits	IAS 21 Exchange differences	IAS 27 Ad-hoc entities	IAS 31 Investment in joint ventures	IAS 32 Financial instruments	IAS 36 Asset impairment	IAS 37 Provisions	12/31/2007 IAS/IFRS	Group balance sheet	Elimination of investments	Elimination of interco bals	12/31/2007 IAS/IFRS
Goodwill	32,997	-										32,997				32,997
Intangible assets	1,396		(24)	28				(60)				1,340				1,340
Property, plant & equipment	9,729			13,626			24	(970)				22,409				22,409
Investments in equity affiliates	344							120				464	8,625	(8,625)		464
Other non-current financial assets	3,465			56				(9)				3,512				3,512
Deferred tax assets	6,077	1,753		402	189				(19)		500	8,902				8,902
Non-current assets	**54,008**	**1,753**	**(24)**	**14,112**	**189**	**-**	**24**	**(919)**	**(19)**	**-**	**500**	**69,624**	**8,625**	**(8,625)**	**-**	**69,624**
Inventories	243							-				243				243
Trade receivables	58,992						(2,493)	(1,699)				54,800	18		(7)	54,811
Other receivables	31,713						243	(110)				31,846	2		(9)	31,839
Other current financial assets	4,786								57			4,843				4,843
Cash and cash equivalents	5,353						180	(236)				5,297				5,297
Current assets	**101,087**	**-**	**-**	**-**	**-**	**-**	**(2,070)**	**(2,045)**	**57**	**-**	**-**	**97,029**	**20**	**-**	**(16)**	**97,033**
Total assets	**155,095**	**1,753**	**(24)**	**14,112**	**189**	**-**	**(2,046)**	**(2,964)**	**38**	**-**	**500**	**166,653**	**8,645**	**(8,625)**	**(16)**	**166,657**
Capital stock	17,082											17,082	1,296	(17,082)		1,296
Additional paid-in capital	-											-				-
Currency differences	(581)					581						-				-
Consolidated reserves	(3,721)	1,753	(14)	(804)	(377)	(581)	(1,650)	12	38		(1,000)	(6,344)	7,325	3,141		4,122
Net income for the year	2,534							(3)				2,531	3	(1,253)		1,281
Minority interests	702		(10)	(1)				(111)				580		6,569		7,149
Shareholders' equity	**16,016**	**1,753**	**(24)**	**(805)**	**(377)**	**-**	**(1,650)**	**(102)**	**38**	**-**	**####**	**13,849**	**8,624**	**(8,625)**	**-**	**13,848**
Short and long-term borrowings	30,056			14,471				(546)				43,981				43,981
Long-term provisions	-				566							566				566
Deferred tax liabilities	494							(17)				477				477
Non-current liabilities	**30,550**	**-**	**-**	**14,471**	**566**	**-**	**-**	**(563)**	**-**	**-**	**-**	**45,024**	**-**	**-**	**-**	**45,024**
Short-term provisions	4,224							(63)			1,500	5,661				5,661
Trade payables	45,357			446			7	(920)				44,890	7		(7)	44,890
Other payables	57,461						(403)	(1,316)				55,742	14		(9)	55,747
Bank overdrafts	1,487											1,487				1,487
Current liabilities	**108,529**	**-**	**-**	**446**	**-**	**-**	**(396)**	**(2,299)**	**-**	**-**	**1,500**	**107,780**	**21**	**-**	**(16)**	**107,785**
Total liabilities	**155,095**	**1,753**	**(24)**	**14,112**	**189**	**-**	**(2,046)**	**(2,964)**	**38**	**-**	**500**	**166,653**	**8,645**	**(8,625)**	**(16)**	**166,657**

Reconciliation between the December 31, 2008 French GAAP and IFRS balance sheets

Scope	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	ID Group	ID Group	ID Group	ID Group
2008 Balance Sheet (€000)	12/31/2008 French GAAP and IAS/IFRS presentation	IAS 12 Income tax	IAS 16 PP&E	IAS 17 Leases	IAS 19 Staff benefits	IAS 21 Exchange differences	IAS 27 Ad-hoc entities	IAS 31 Investment in joint ventures	IAS 32 Financial instruments	IAS 36 Asset impairment	IAS 37 Provisions	12/31/2008 IAS/IFRS	Group balance sheet	Elimination of investments	Elimination of Interco bals	31/12/2008 IAS/IFRS
Goodwill	31,262									1,735		32,997				32,997
Intangible assets	1,849		(24)	37				(89)				1,773				1,773
Property, plant & equipment	10,400			13,630			17	(757)				23,290				23,290
Investments in equity affiliates	348							85				433	8,625	(8,625)		433
Other non-current financial assets	1,370			33				(9)				1,394				1,394
Deferred tax assets	3,962	3,025		998	235			(1)	9		500	8,728				8,728
Non-current assets	**49,191**	**3,025**	**(24)**	**14,698**	**235**	**-**	**17**	**(771)**	**9**	**1,735**	**500**	**68,615**	**8,625**	**(8,625)**	**-**	**68,615**
Inventories	207											207				207
Trade receivables	50,843						(2,105)	(955)				47,783	9		(9)	47,783
Other receivables	14,349	(1,175)					112	(39)				13,247	4		(1)	13,250
Other current financial assets	14,780								-			14,780				14,780
Cash and cash equivalents	7,698						119	(365)				7,452				7,452
Current assets	**87,877**	**(1,175)**	**-**	**-**	**-**	**-**	**(1,874)**	**(1,359)**	**-**	**-**	**-**	**83,469**	**13**	**-**	**(10)**	**83,472**
Total assets	**137,068**	**1,850**	**(24)**	**14,698**	**235**	**-**	**(1,857)**	**(2,130)**	**9**	**1,735**	**500**	**152,084**	**8,638**	**(8,625)**	**(10)**	**152,087**
Capital stock	17,082											17,082	1,296	(17,082)		1,296
Additional paid-in capital	-											-				-
Currency differences	(586)					508						(78)		2		(76)
Consolidated reserves	(1,187)	1,807	(14)	(804)	(377)	(706)	(1,650)	(19)	38		(1,000)	(3,912)	7,328	1,973		5,389
Net income for the year	2,164	43		(1,191)	(92)	198	(321)	(7)	(55)	1,735		2,474	(2)	(1,225)		1,247
Minority interests	738		(10)	(1)				(109)				618		7,707		8,325
Shareholders' equity	**18,211**	**1,850**	**(24)**	**(1,996)**	**(469)**	**-**	**(1,971)**	**(135)**	**(17)**	**1,735**	**(1,000)**	**16,184**	**8,622**	**(8,625)**	**-**	**16,181**
Short and long-term borrowings	16,858			14,571				(841)	26			30,614				30,614
Long-term provisions	-				704							704				704
Deferred tax liabilities	501							(24)				477				477
Non-current liabilities	**17,359**	**-**	**-**	**14,571**	**704**	**-**	**-**	**(865)**	**26**	**-**	**-**	**31,795**	**-**	**-**	**-**	**31,795**
Short-term provisions	3,948							(70)			1,500	5,378				5,378
Trade payables	38,430		1,357	2,123			7	(537)				41,380	1		(9)	41,372
Other payables	57,723		(1,357)				107	(523)				55,950	15		(1)	55,964
Bank overdrafts	1,397											1,397				1,397
Current liabilities	**101,498**	**-**	**-**	**2,123**	**-**	**-**	**114**	**(1,130)**	**-**	**-**	**1,500**	**104,105**	**16**	**-**	**(10)**	**104,111**
Total liabilities	**137,068**	**1,850**	**(24)**	**14,698**	**235**	**-**	**(1,857)**	**(2,130)**	**9**	**1,735**	**500**	**152,084**	**8,638**	**(8,625)**	**(10)**	**152,087**

Reconciliation between the December 31, 2009 French GAAP and IFRS balance sheets

Scope	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	Ficopar	ID Group	ID Group	ID Group	ID Group
2009 Balance Sheet (€000)	12/31/2009 French GAAP and IAS/IFRS presentation	IAS 12 Income tax	IAS 16 PP&E	IAS 17 Leases	IAS 19 Staff benefits	IAS 21 Exchange differences	IAS 27 Ad-hoc entities	IAS 31 Investments in joint ventures	IAS 32 Financial instruments	IAS 36 Asset impairment	IAS 37 Provi sions	12/31/2009 IAS/IFRS	Group Balance sheet	Elimination of investments	Elimination of Interco bals	12/31/2009 IAS/IFRS
Goodwill	29,527									3,470		32,997		26,372		59,369
Intangible assets	2,192		(42)	13				(70)				2,093				2,093
Property, plant & equipment	11,743			14,219			11	(487)				25,486				25,486
Investments in equity affiliates	349							335				684		474		1,158
Other non-current financial assets	647			8				(8)				647	44,302	(44,302)		647
Deferred tax assets	2,244	3,179		958	296				180		500	7,357				7,357
Non-current assets	**46,702**	**3,179**	**(42)**	**15,198**	**296**	**-**	**11**	**(230)**	**180**	**3,470**	**500**	**69,264**	**44,302**	**(17,456)**	**-**	**96,110**
Inventories	328											328				328
Trade receivables	53,565						(1,802)	(1,809)				49,954	9		(9)	49,954
Other receivables	25,036	(1,175)					143	(152)				23,852	2		(10,313)	13,541
Other current financial assets	3,011								-			3,011				3,011
Cash and cash equivalents	11,492						89	(369)				11,212				11,212
Current assets	**93,432**	**(1,175)**	**-**	**-**	**-**	**-**	**(1,570)**	**(2,330)**	**-**	**-**	**-**	**88,357**	**11**	**-**	**(10,322)**	**78,046**
Total assets	**140,134**	**2,004**	**(42)**	**15,198**	**296**	**-**	**(1,559)**	**(2,560)**	**180**	**3,470**	**500**	**157,621**	**44,313**	**(17,456)**	**(10,322)**	**174,156**
Capital stock	17,082											17,082	2,053	(17,082)		2,053
Additional paid-in capital	-												22,887			22,887
Currency differences	(545)					652						107		(2)		105
Consolidated reserves	976	1,664	(14)	(1,995)	(470)	(180)	(1,971)	(25)	(17)	1,735	(1,000)	(1,297)	7,326	607		6,636
Net income for the year	2,482	327	(11)	79	(123)	(472)	326	(12)	(343)	1,735		3,988	(12)	(1,975)		2,001
Minority interests	1,335	13	(17)	(3)				(370)				958		996		1,954
Shareholders' equity	**21,330**	**2,004**	**(42)**	**(1,919)**	**(593)**	**-**	**(1,645)**	**(407)**	**(360)**	**3,470**	**(1,000)**	**20,838**	**32,254**	**(17,456)**	**-**	**35,636**
Short and long-term borrowings	18,671			15,563				(531)	588			34,291				34,291
Long-term provisions	-				889							889				889
Deferred tax liabilities	512							(35)				477				477
Non-current liabilities	**19,183**	**-**	**-**	**15,563**	**889**	**-**	**-**	**(566)**	**588**	**-**	**-**	**35,657**	**-**	**-**	**-**	**35,657**
Short-term provisions	4,709							(11)			1,500	6,198				6,198
Trade payables	41,225		686	1,554			7	(713)				42,759	4		(9)	42,754
Other payables	52,705		(686)				79	(863)	(48)			51,187	12,037		(10,313)	52,911
Bank overdrafts	982											982	18			1,000
Current liabilities	**99,621**	**-**	**-**	**1,554**	**-**	**-**	**86**	**(1,587)**	**(48)**	**-**	**1,500**	**101,126**	**12,059**	**-**	**(10,322)**	**102,863**
Total liabilities	**140,134**	**2,004**	**(42)**	**15,198**	**296**	**-**	**(1,559)**	**(2,560)**	**180**	**3,470**	**500**	**157,621**	**44,313**	**(17,456)**	**(10,322)**	**174,156**

7.1 General context for the Group adopting IFRS

The published consolidated financial statements of ID Logistics Group and its subsidiaries (hereinafter the "Group") for the year ended December 31, 2009 are prepared pursuant to International Financial Reporting Standards (hereinafter "IFRS"), as adopted in the European Union as of December 31, 2009. International accounting principles cover all standards approved by the International Accounting Standards Board ("IASB"), i.e. IFRS, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC"). Said accounting principles can be viewed on the website http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The first IFRS financial statements published are the 2009 consolidated financial statements including 2008 comparative figures. The Group applied retrospectively the prevailing accounting principles as of December 31, 2009 for all years reported in the 2009 consolidated financial statements and the January 1, 2008 opening balance sheet. Consequently, the January 1, 2008 opening balance sheet includes the following differences compared to the December 31, 2007 balance sheet pursuant to French regulation CRC 99-02:

- Writing off assets and liabilities recorded under the previous accounting principles that do not meet the IFRS definitions or criteria for recognition;
- Recognition and measurement of all assets and liabilities that meet the IFRS definitions or criteria for recognition, including those that were not recorded under the previous accounting principles;
- Potential reclassifications of certain balance sheet headings pursuant to IFRS.

The impact of these adjustments is recorded in opening shareholders' equity.

In accordance with the AMF's recommendation concerning disclosures during the transitional period, the Group has prepared 2009 financial information on the transition to the following IFRSs:

- A reconciliation of the income statement for the year ended December 31, 2008 between French GAAP and IFRS;
- A reconciliation of the income statement for the year ended December 31, 2009 between French GAAP and IFRS;
- A reconciliation between the December 31, 2007 French GAAP balance sheet and the January 1, 2008 IFRS opening balance sheet;
- A reconciliation between the December 31, 2008 French GAAP and IFRS balance sheets;
- A reconciliation between the December 31, 2009 French GAAP and IFRS balance sheets.

This 2009 financial information has been prepared based on IFRS in such a way as the Group considers IFRS should be applied to the consolidated financial statements.

Consequently, the 2009 financial information described in the notes below has been prepared based on the following:

- Compulsory IFRS policies and interpretations as of December 31, 2009;
- IFRS 1, which covers procedures for the first-time application of international accounting principles;
- Options adopted and exemptions used as allowed under IFRS 1.

Monetary amounts in this document are stated in euro thousands.

7.2 Organization of the transition project

The Group established a working group responsible for the transition to IAS/IFRS. This team conducted an analysis of the various standards in order to identify the differences in accounting principles that were liable to have an impact on the Group consolidated financial statements.
The working group prepared a summary of the identified impacts, which the Group finance department approved and which was submitted to the independent auditors.

The summary documents, including opening balance sheet at January 1, 2008 and the 2008 and 2009 consolidated financial statements, were prepared on this basis during the first half of 2010.

7.3 Presentation of the standards and options applied to prepare the first IFRS figures

IFRS 1: First-time application of international financial reporting standards

The specific rules for first-time adoption of IFRS, as described under IFRS 1 - "*First-time adoption of international financial reporting standards*", have been applied. The options adopted as of the transition date of January 1, 2008 are as follows:

- Business combinations prior to the IFRS transition date were not adjusted;
- No material Group subsidiary, equity affiliate or joint venture adopted IFRSs as from a date different from the parent company;
- Application of all requirements of IAS 32 "Financial instruments: Disclosures and presentation" and of IAS 39 "Financial instruments: Recognition and measurement" with effect from January 1, 2008;
- The Group has chosen to transfer currency differences as of January 1, 2008, which arise from the conversion into euros of the financial statements of subsidiaries whose operating currency is a foreign currency, to consolidated reserves. Consequently, currency differences are not posted to income if the related assets are subsequently sold.

IFRSs that have an impact on the Group financial statements are as follows. The impacts within each note are stated net of deferred tax:

IFRS 3: Business combinations

Goodwill: The Group has applied IFRS 3 since January 1, 2008.

If the Group acquires minority interests after acquiring control of a subsidiary, Group management has decided to post the additional goodwill arising on the transaction to goodwill.

Since January 1, 2008, goodwill is no longer amortized straight line but is subject to an annual impairment test per Cash Generating Unit (CGU) pursuant to IAS 36.

The opening balance sheet has no negative goodwill.

Pursuant to the option offered under IFRS 1, the Group has decided not to adjust business combinations prior to January 1, 2008.

IAS 1: Presentation of the financial statements

Pursuant to IAS 1, the Group presents non-current assets and liabilities separately from current assets and liabilities in the balance sheet.

Accounts that do not appear directly in the balance sheet are disclosed in the notes.
Similarly, accounts that are not detailed in the income statement, such as depreciation and provisions, are covered in a separate note.

The Group has decided to present the income statement by nature of expense.

IAS 7: Statement of cash flows

The Group has decided to present cash flows from operating activities using the direct method. This method does not result in any material differences compared to the Group's previous method.

Opening and closing cash and cash equivalents consist of bank accounts (including cash and bank overdrafts), petty cash and term deposits and investments in marketable securities, which are treated as cash equivalents in accordance with IAS 7.

IAS 12: Corporate income tax

Deferred tax is computed per tax entity on timing differences between the tax base and the book value of an asset/liability in the balance sheet. The tax rate adopted for each tax entity is that applicable in the fiscal year when the differences will reverse.

Deferred tax assets, including those from tax losses, are only recognized if it is probable that they will be realized within a reasonable period.
Pursuant to IAS 12 "Income taxes", deferred assets and liabilities are netted off per tax entity and are not discounted.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	1,753	1,753	1,850
Statement of comprehensive income		54	(186)
Net income		43	340

IAS 16: Property, plant and equipment

Under IAS 16, for first-time adoption of IFRS, companies can choose between valuing PP&E based on the historical net book value and revaluing the individual assets.
The Group has chosen to adopt the historical net book value for all property, plant and equipment.

IAS 16 authorizes certain PP&E to be valued at fair value as of the transition date. The Group has decided not to apply this option and has chosen to apply the historical net book value for all property, plant and equipment.

Start-up costs are amortized over a limited period in accordance with French GAAP. Under IFRS, start-up costs are posted to expenses for the year given that they do not meet the criteria for asset recognition.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(24)	(24)	(24)
Net income			(18)

IAS 17: Leases

IAS 17 distinguishes between operating leases and finance leases. With a view to classifying all its leases, the Group reviewed them focusing primarily on their economic substance rather than on their legal form. Leases to which one of the criteria below applies were classified as finance leases:

- Transfer of ownership at the end of the lease term;
- Purchase option at a price below fair value as of the date when the option may be exercised;
- Term of the lease covering most of the useful economic life of the asset;
- Present value of the minimum lease payments equivalent to the fair value of the leased asset;
- Specific nature of the asset such that only the Group can use it.

Pursuant to IAS 17, the Group recognizes an expense from the lease straight line over the period of the lease taking account of contractual exemptions.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(805)	(805)	(1,995)
Net income		(1,191)	76

IAS 19: Staff benefits

The Group used not to accrue pension commitments in the past. The actuarial method used is the so-called projected unit credit method.
The actuarial assumptions used comprise discount rate, staff turnover, forecast long-term inflation, salary increases, social security charges, mortality and expected length of service.

Actuarial differences prior to January 1, 2008 were posted to shareholders' equity in the January 1, 2008 opening balance sheet in accordance with the option offered under IFRS 1.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(377)	(377)	(470)
Net income		(92)	(123)

IAS 21: Exchange differences

Pursuant to the option offered under IFRS 1, the Group has chosen to transfer currency differences as of January 1, 2008, which arise from the conversion into euros of the financial statements of subsidiaries whose operating currency is a foreign currency, to consolidated reserves. Consequently, currency differences are not posted to income if the related assets are subsequently sold.

Pursuant to the net investment theory, currency differences on foreign currency loans to subsidiaries are taken to reserves within shareholders' equity.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	-	(198)	472
Net income		198	(472)

IAS 27: Ad-hoc entities

The financial statements of companies in which the Group directly or indirectly has the power to determine the operational and financial policies in order to benefit from their activities are consolidated under the full consolidation method.
In particular, this power is presumed in companies in which the Group directly or indirectly holds over 50% of the voting rights. Control is also deemed to exist if a parent company holding up to half of the voting rights in an entity has the power to determine the operational and financial policies by virtue of regulations or a contract.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(1,650)	(1,650)	(1,971)
Net income		(321)	326

IAS 27: Minority interests

In the French GAAP financial statements, minority interests are not included under shareholders' equity.
Pursuant to IAS 27 "*Consolidated and separate financial statements*", minority interests are reclassified under consolidated shareholders' equity.

IAS 28: Investment in equity affiliates

The legal entities in which the Group exercises significant influence over the financial and operational policies are consolidated under the equity method.

If an investor directly or indirectly (e.g. via subsidiaries) holds at least 20% of the voting rights in the affiliate, he is presumed to have significant influence unless it is clearly demonstrated to the contrary. On the other hand, if an investor directly or indirectly (e.g. via subsidiaries) holds less than 20% of the voting rights in the affiliate, he is presumed not to have significant influence unless it is clearly demonstrated to the contrary.

The Group has reviewed its influence over the consolidated subsidiaries as of the January 1, 2008 opening balance sheet, which resulted in the following:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(102)	(84)	(119)
Net income		(51)	(288)

IAS 32/39: Financial instruments

The impact of this standard on the Group primarily relates to derivatives.

The Group holds derivative financial instruments in order to reduce exposure to interest rate risks.

Derivatives are stated at fair value in the consolidated balance sheet.

Accounting for fluctuations in fair value depends on the intended use of the derivative and its resulting classification. The Group classifies derivatives in accordance with the criteria specified by IAS 39 - "Financial instruments: Recognition and measurement".

In the case of a cash flow hedge, changes in the derivative's fair value are posted to shareholders' equity in respect of the effective hedging portion and posted to income in respect of the non-effective hedging portion. The amount posted to shareholders' equity is reclassified to income if the hedged item itself is recorded in the income statement.

The impact on shareholders' equity of the reported fiscal years breaks down as follows:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	38	38	(17)
Net income		(55)	(343)

IAS 36: Asset impairment

As of the date of an acquisition, goodwill is initially recognized at the excess of the transaction cost over the buyer's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is stated at cost less cumulative impairment. With effect from January 1, 2008, goodwill is no longer amortized straight line but is subject to annual impairment tests.

Before carrying out the impairment tests, the cash generating units (CGU) were identified for each item of goodwill separately. In order to do this, all profit centers arising from past corporate acquisitions were identified and developments in the value of their business traced.

Cash flow forecasts were prepared from budgets and from actual data available for all CGU.

The cash flow forecasts covered three future years and included growth rates specific to each business sector that were in line with past like-for-like growth rates seen in the Group.

The terminal value of the CGUs was estimated applying a multiple of the final year's cash flow.

The discount rate is a rate calculated for the entire Group. It is based on underlying market data and then confirmed by our financial analysts.

The discounted cash flows are compared to the goodwill values, and if the discounted cash flows exceed the net book value of the goodwill as of the balance sheet date of the period, no impairment is recognized. If, on the other hand, the discounted cash flows are less than the net book value of the goodwill, impairment in respect of the shortfall should be recognized.

For purposes of the transition period, the Group carried out an impairment test as of January 1, 2008, December 31, 2008 and December 31, 2009. No impairment was recognized following these tests.

The impact on shareholders' equity of the above table represents reversal of goodwill amortization booked pursuant to French regulation CRC 99-02.

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	-	-	1,735
Net income		1,735	1,735

IAS 37: Provisions

IAS 37 defines liabilities, provisions, contingent liabilities and contingent assets.
Amounts provided for should be the best estimate of the future expenditure required to meet the liability as of the balance sheet date.

A provision must be accrued if:

- An entity has a current legal or implicit liability arising from a past event;
- It is probable that an outflow of resources representing economic benefits will be required to meet the liability; and
- The value of the liability can be reliably estimated.

The Group has reviewed its risks as of the January 1, 2008 opening balance sheet, which resulted in the following:

	1/1/2008	12/31/2008	12/31/2009
Opening shareholders' equity	(1,000)	(1,000)	(1,000)
Net income			

20.2 AUDIT OF THE ANNUAL HISTORIC FINANCIAL INFORMATION

20.2.1 Statutory auditors' report on the 2010 and 2009 Group consolidated financial statements

"In accordance with the assignment entrusted to us by your shareholders' general meeting, we submit to you our report for the year ended December 31, 2010 concerning:

- Our audit of the financial statements of ID Logistics Group attached to this report;
- Justification of our opinion;
- Specific audit testing required by French law.

The consolidated financial statements were approved by the Board of Directors. It is our responsibility to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We have conducted our audit in accordance with auditing standards applicable in France; these standards require that we perform such tests and procedures so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit consists of an examination, based on samples or other methods of selection, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the accounting principles used, significant estimates made and an evaluation of the overall adequacy of the presentation of these statements. We believe that the evidence obtained during our audit is sufficient and appropriate as a basis for our opinion.

In our opinion the consolidated financial statements for the year, in accordance with IFRS accounting standards as adopted in the European Union, give a true and fair view of the results, assets, liabilities and financial position of the Group consisting of the businesses and entities included in the consolidation.

II. Justification for our opinion

Pursuant to Article L. 823-9 of the French Commercial Code relating to justifications of our opinion, please note the following:

The Company regularly reviews its principal intangible assets and goodwill pursuant to the procedures specified under notes 4.3 "Business combinations and goodwill", 4.7 "Impairment of fixed assets" and 6.1.3 "Goodwill and impairment tests of long-term assets" of the notes to the consolidated financial statements in order to identify any loss in value. Our work included gaining an understanding of the data and assumptions on which such estimates are based. On this basis, we assessed whether the estimates are reasonable.

Our assessments above formed part of our audit of the consolidated financial statements as a whole and therefore contributed to our opinion expressed in the first part of this report.

III. Specific testing

We have also performed specific testing required by law on the information relating to the Group given in the management report in accordance with applicable professional standards in France.

We have no comment on the truth and fairness of said information and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, June 6, 2011
The Statutory Auditors
Philippe Joubert   Deloitte & Associés
Represented by
Albert Aidan"

20.2.2 Statutory auditors' report on the 2009 and 2008 Group consolidated financial statements

"As statutory auditors of ID Logistics Group SA and in accordance with EU regulation no. 809/2004 in conjunction with the plan to float the Company's shares on the Paris Euronext market of NYSE Euronext, we have carried out an audit of the ID Logistics Group SA consolidated financial statements for the years ended December 31, 2008 and 2009 as attached to this report.

The consolidated financial statements were prepared under the responsibility of the Board of Directors. It is our responsibility to express an opinion on these financial statements, based on our audit.

We have conducted our audit in accordance with auditing standards applicable in France; these standards require that we perform such tests and procedures so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit consists of an examination, based on samples or other methods of selection, of evidence relevant to the amounts and disclosures in these financial statements. It also includes an assessment of the accounting principles used, significant estimates made and an evaluation of the overall adequacy of the presentation of these statements. We believe that the evidence obtained during our audit is sufficient and appropriate as a basis for our opinion.

In our opinion, all significant aspects of the consolidated financial statements prepared for the purposes of the Base Document present truly and fairly the assets, liabilities and financial position as of December 31, 2008 and 2009 and the results for each fiscal year ended on these dates of the Group consisting of the businesses and entities included in the consolidation, in accordance with IFRS accounting standards as adopted in the European Union.

Paris and Neuilly-sur-Seine, May 5, 2011
The Statutory Auditors
Philippe Joubert   Deloitte & Associés
Represented by
Albert Aidan"

20.3 HALF-YEAR HISTORIC FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	H1 2011	H1 2010
Revenues		211,844	182,436
Purchases and external charges		(106,775)	(93,872)
Staff costs		(90,769)	(75,278)
Miscellaneous taxes		(3,942)	(3,352)
Other underlying income (expenses)		547	343
Net depreciation/impairment		(6,485)	(6,147)
Net (increases) write-backs to provisions		(613)	(1,042)
Operating income		3,807	3,088
Financial income	Note 8	585	135
Financial expenses	Note 8	(1,910)	(2,461)
Group income before tax		2,482	762
Corporate income tax	Note 9	(1,449)	(939)
Share of earnings of equity affiliates		27	4
Total consolidated net income		1,060	(173)
Of which minority interests		(89)	204
Of which Group share		1,149	(377)
Earnings per share, Group share			
Basic EPS (€)	Note 10	0.56	(0.18)
Diluted EPS (€)	Note 10	0.52	(0.17)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€000)	H1 2011	H1 2010
Total consolidated net income	1,060	(173)
Exchange differences	(284)	919
Sale of treasury shares	38	-
Taxation	(20)	(62)
Total gains and losses posted to shareholders' equity net of tax	(266)	857
Comprehensive net income	794	684
Of which minority interests	(173)	381
Of which Group share	967	303

CONSOLIDATED BALANCE SHEET

(€000)	Notes	6/30/2011	12/31/2010
Goodwill	Note 1	59,369	59,369
Intangible assets	Note 1	1,704	1,923
Property, plant and equipment	Note 2	57,880	59,918
Investment in equity affiliates		1,036	1,032
Other non-current financial assets		1,707	1,720
Deferred tax assets		7,900	7,408
Non-current assets		129,596	131,370
Inventories		403	449
Trade receivables	Note 3	63,919	62,350
Other receivables	Note 3	22,481	17,692
Other current financial assets		2,381	2,517
Cash and cash equivalents	Note 4	16,081	15,099
Current assets		105,265	98,107
Total assets		234,861	229,477
Capital stock	Note 5	2,053	2,053
Additional paid-in capital	Note 5	22,887	22,887
Exchange differences		426	647
Consolidated reserves		13,032	8,624
Net income for the year		1,149	4,369
Shareholders' equity, Group share		39,547	38,580
Minority interests		2,271	2,444
Shareholders' equity		41,818	41,024
Borrowings (due in over 1 yr)	Note 6	38,272	41,488
Long-term provisions	Note 7	1,229	1,130
Deferred tax liabilities		374	356
Non-current liabilities		39,875	42,974
Short-term provisions	Note 7	8,060	7,584
Borrowings (due in less than 1 yr)	Note 6	13,366	13,361
Other current financial liabilities		515	748
Bank overdrafts	Note 4	994	1,819
Trade payables		58,036	49,496
Other payables		72,197	72,471
Current liabilities		153,168	145,479
Total liabilities and shareholders' equity		234,861	229,477

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	Note	H1 2011	H1 2010
Net income		1,060	(173)
Net depreciation, impairment and provisions		7,326	7,226
Fair value adjustments on financial instruments		(233)	533
Share of undistributed earnings of equity affiliates		(4)	(20)
Change in working capital	Note 11	1,793	45
Net cash flows from operating activities after net cost of debt and tax		9,942	7,611
Corporate income tax		1,449	939
Net financial costs from financing activities		1,248	1,593
Net cash flows from operating activities before net cost of debt and tax		12,639	10,143
Tax paid		(1,964)	(1,925)
Net cash flow from operating activities		10,675	8,218
Purchase of intangible assets and PP&E	Notes 1- 2	(4,937)	(39,905)
Purchase of financial assets		(491)	(874)
Fixed asset payables		95	(258)
Purchase of subsidiaries net of cash acquired		-	910
Sale of intangible assets and PP&E		514	358
Sale of financial assets		462	117
Net cash flow from investing activities		(4,357)	(39,652)
Net financial costs from financing activities		(1,248)	(1,593)
Loans received		5,201	37,103
Loan repayments		(8,413)	(7,481)
Sale of treasury shares		38	-
Net cash flow from financing activities		(4,422)	28,029
Exchange gains (losses)		(89)	227
Net underlying change in cash and cash equivalents		1,807	(3,178)
Opening net cash and cash equivalents	Note 4	13,280	10,212
Closing net cash and cash equivalents	Note 4	15,087	7,034

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€000)	Capital stock	Additional paid-in capital	Consolidation reserves	Exchange differences	Shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
January 1, 2010	2,053	22,887	8,637	105	33,682	1,954	35,636
H1 2010 net income			(377)	-	(377)	204	(173)
Gains and losses posted to shareholders' equity			-	680	680	178	858
Treasury shares			(12)	-	(12)	-	(12)
Other			(1)	-	(1)	-	(1)
June 30, 2010	2,053	22,887	8,247	785	33,972	2,336	36,308
H2 2010 net income			4,746	-	4,746	422	5,168
Gains and losses posted to shareholders' equity			-	(138)	(138)	(9)	(147)
Capital increase			-	-	-	-	-
Distribution of dividends			-	-	-	(305)	(305)
Other			-	-	-	-	-
December 31, 2010	2,053	22,887	12,993	647	38,580	2,444	41,024
H1 2011 net income			1,149	-	1,149	(89)	1,060
Gains and losses posted to shareholders' equity			-	(221)	(221)	(84)	(305)
Other			39	-	39	-	39
June 30, 2011	2,053	22,887	14,181	426	39,547	2,271	41,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

ID Logistics Group SA is a *société anonyme* (French joint stock company) subject to French law with head office located at 410, route du Moulin de Losque 84300 Cavaillon. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") carry out their logistics business in France and around ten other countries.

The Group consolidated financial statements for the six months ended June 30, 2011 were approved by the Board of Directors on September 14, 2011. Unless otherwise indicated, figures are stated in euro thousands.

Business activity during the period ended June 30, 2011 did not experience any major seasonal fluctuations in terms of revenues.

2 BASE FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Interim financial statements

The condensed consolidated interim financial statements of the ID Logistics Group for the six months ended June 30, 2011 were prepared in accordance with IAS 34 – Interim Financial Reporting. Since these financial statements are condensed, they do not contain all the information required by IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2010.

The accounting principles adopted for the preparation of the condensed consolidated interim financial statements comply with the IFRS standards and interpretations adopted by the European Union as of June 30, 2011, which may be viewed on the website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting principles are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2010, which are presented in Note 2 to the 2010 consolidated financial statements, except for the items presented in paragraph 2.2 below – New IFRS standards and interpretations.

The valuation methods specific to the condensed consolidated interim financial statements are as follows:

• The interim period tax charge results from the estimated annual Group effective rate applied to the pre-tax interim earnings excluding material non-recurring items. This estimated annual effective rate takes into consideration, in particular, the expected impact of tax planning transactions. The tax charge relating to any non-recurring items of the period is accrued using its specific applicable taxation.

• Stock-based compensation and staff benefit costs are recorded for the period in proportion to their estimated annual costs.

2.2 Change in accounting principles

2.2.1 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2011

The new standards, amendments and interpretations published by the IASB and compulsorily applicable in 2011 did not have a material impact on the Group financial statements:

- IFRS 1 amendment - Exemptions from disclosures under IFRS 7;
- IAS 24 revised – Related party disclosures;
- IAS 32 amendment – Classification of rights issues;
- IFRIC 14 amendment - Prepayments of a minimum funding requirement;
- IFRIC 19 - Extinguishing financial liabilities with equity instruments.

As of the date when these financial statements were approved, the following new standards, amendments and interpretations had been published but not yet adopted by the European Union:

- IFRS 7 - Transfers of financial assets;
- IAS 12 – Recovery of underlying assets;
- IFRS 9 – Financial instruments;
- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Joint arrangements;
- IFRS 12 – Disclosure of interests in other entities;
- IFRS 13 – Fair value measurement;
- IAS 27 revised – Separate financial statements;
- IAS 28 revised – Investments in associates and joint ventures.

The Group is currently analyzing the consequences of these new standards, amendments and interpretations and the impact of their application on the financial statements.

2.2.2 New standards, amendments and interpretations adopted by the European Union and compulsory for fiscal years beginning 2012

The Group has not applied in advance standards and interpretations which were not compulsory as of January 1, 2011.

3 HIGHLIGHTS

No significant changes in consolidation took place during the first half of 2011.

4 SEGMENT INFORMATION

Pursuant to IFRS 8 – "Operating segments", the information below for each operating segment is identical to that presented to the Principal Operational Decision Maker for purposes of deciding about the allocation of resources to the segment and assessing its performance.

An operating segment is a distinct component of the Group:

- which carries out businesses from which it receives income from ordinary activities and incurs expenses;
- for which operating earnings are regularly reviewed by the Group's Principal Operational Decision Maker with a view to taking decisions regarding resources to be allocated to the segment and to assessing its performance, and
- for which separate financial data is available.

The Group's Principal Operational Decision Maker has been identified as the Chairman and CEO and the Senior Vice President, who jointly take strategic decisions.

The Group's two operating segments are France and International, determined in accordance with IFRS 8.

The France segment is made up of subsidiaries with head offices in continental France.

The International segment is made up of subsidiaries with head offices in the following countries: Argentina, Brazil, China, Spain, La Réunion, Indonesia, Morocco, Russia, Poland and Taiwan.

Fixed assets are operating assets used by a segment for operational purposes. They include goodwill, intangible assets and property, plant and equipment. They do not include current assets used for operational purposes, deferred tax assets/liabilities or non-current financial assets.

Segment information, as presented to the principal decision makers relating to continuing operations, is as follows:

	H1 2011			H1 2010		
	France	Inter national	Total	France	Inter national	Total
Revenues	139,186	73,881	213,067	121,071	62,410	183,481
Inter-segment revenues	(1,107)	(116)	(1,223)	(966)	(79)	(1,045)
Net revenues	138,079	73,765	211,844	120,105	62,331	182,436

Operating income	3,177	630	3,807	2,725	363	3,088
Net cash flow from operating activities	6,749	3,926	10,675	8,788	(570)	8,218
Capital expenditure	3,329	1,609	4,938	38,178	1,727	39,905
Fixed assets	101,320	17,633	118,953	106,013	17,520	123,533
Headcount	2,926	4,746	7,672	2,645	4,163	6,808

5 NOTES RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AND CHANGES THERETO

5.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	TOTAL
Gross:			
At January 1, 2011	59,369	5,953	65,322
Acquisitions	-	293	293
Disposals	-	(13)	(13)
Change in consolidation	-	-	-
Exchange gains (losses)	-	(33)	(33)
Reclassification	-	-	-
At June 30, 2011	59,369	6,200	65,569
Cumulative depreciation and impairment:			
At January 1, 2011	-	4,030	4,030
Depreciation for the year	-	481	481
Impairment	-	-	-
Disposals	-	-	-
Change in consolidation	-	-	-
Exchange gains (losses) and reclassification	-	(15)	(15)
At June 30, 2011	-	4,496	4,496
Net:			
At June 30, 2011	59,369	1,704	61,073

The Group has no encumbrances on the use of its fixed assets.

The net book value of goodwill, customer relations, other intangible assets and investments in equity affiliates is reviewed at least once a year and when events or circumstances indicate that a loss in value may have taken place. Such events or circumstances are related to material adverse changes of a permanent nature that impact either the economic context or the assumptions or objectives adopted as of the date of acquisition. An impairment charge is recorded when the recoverable value of the assets tested falls permanently below their net book value.

As of June 30, 2011, the Group reviewed the impairment indicators that could lead to a reduction in the net book value of goodwill and investments in equity affiliates. No indication of loss in value was identified.

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross:					
At January 1, 2011	46,430	34,677	15,019	440	96,566
Acquisitions	418	2,350	1,827	50	4,645
Disposals	(299)	(2,399)	(262)	(30)	(2,990)
Change in consolidation					-
Exchange gains (losses)	(159)	(127)	(176)	(2)	(464)
Reclassification					-
At June 30, 2011	46,390	34,501	16,408	458	97,757
Cumulative depreciation and impairment:					
At January 1, 2011	7,185	21,498	7,965	-	36,648
Depreciation for the year	1,295	3,205	1,503		6,003
Impairment					-
Disposals		(2,267)	(220)		(2,487)
Change in consolidation					-
Exchange gains (losses) and reclassification	(123)	(59)	(105)		(287)
At June 30, 2011	8,357	22,377	9,143	-	39,877
Net:					
At June 30, 2011	38,033	12,124	7,265	458	57,880

Note 3: Trade and other current receivables

	6/30/2011	12/31/2010
Trade receivables	63,919	62,447
Impairment provisions	-	(97)
Total trade receivables – net	63,919	62,350
Tax and social security receivables	16,819	14,759
Payments on account and advances	118	9
Prepaid expenses	5,544	2,924
Total other receivables - net	22,481	17,692

Note 4: Net cash and cash equivalents

	6/30/2011	12/31/2010
Cash and cash equivalents	16,081	15,099
Bank overdrafts	(994)	(1,819)
Net cash and cash equivalents	15,087	13,280

Group cash and cash equivalents of €16,081K at June 30, 2011 comprise cash, sight bank deposits and money-market investments amounting to €2,434K.

Note 5: Issued capital stock and additional paid-in capital

Transaction type	Change in capital			Capital stock after transactions	
	Number of shares	Par value (€)	Additional paid-in capital (€)	Value (€)	Number of shares
At January 1, 2011			22,887,435	2,052,930	205,293
At June 30, 2011			22,887,435	2,052,930	2,052,930

The Group has a single class of shares of common stock that entitle stockholders to the same dividend.

Note 6: Financial liabilities

	6/30/2011	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	588		588	
Finance leases	37,534		19,734	17,800
Other borrowings	150		150	
Total non-current borrowings	38,272		20,472	17,800
Current borrowings				
Bank loans	1,910	1,910		
Finance leases	8,768	8,768		
Factoring	2,350	2,350		
Other borrowings	338	338		
Total current borrowings	13,366	13,366		
Total borrowings	51,638	13,366	20,472	17,800

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	2,339	EUR	Variable
Loan	159	EUR	Fixed
Factoring	2,350	EUR	Variable
Finance leases	624	BRL	Fixed
Finance leases	37	TWD	Fixed
Finance leases	42	ARS	Fixed
Finance leases	735	PLN	Fixed
Finance leases	14,764	EUR	Fixed
Finance leases	30,100	EUR	Variable
Other payables	147	MAD	Fixed
Other payables	341	EUR	Fixed

Total		51,638		

	31/12/2010	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current borrowings				
Bank loans	1,545		1,545	
Finance leases	39,733		20,402	19,331
Other borrowings	210		210	
Total non-current borrowings	41,488		22,157	19,331
Current borrowings				
Bank loans	1,905	1,905		
Finance leases	9,093	9,093		
Factoring	2,035	2,035		
Other borrowings	328	328		
Total current borrowings	13,361	13,361		
Total borrowings	54,849	13,361	22,157	19,331

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	3,250	EUR	Variable
Loan	200	EUR	Fixed
Factoring	2,035	EUR	Variable
Finance leases	894	BRL	Fixed
Finance leases	64	TWD	Fixed
Finance leases	58	ARS	Fixed
Finance leases	313	PLN	Fixed
Finance leases	15,822	EUR	Fixed
Finance leases	31,675	EUR	Variable
Other payables	148	MAD	Fixed
Other payables	390	EUR	Fixed
Total	54,849		

Note 7: Provisions

	Social security and tax risks	Operating risks	Staff benefits	Other	Total
At January 1, 2011	4,410	3,174	1,130	-	8,714
Charges	155	782	99	-	1,036
Write-backs used	(154)	(282)	-	-	(436)
Write-backs not used	(4)	-	-	-	(4)
Other changes	(21)	-	-	-	(21)
At June 30, 2011	4,386	3,674	1,229	-	9,289
Of which current provisions	4,386	3,674	-	-	8,060
Of which non-current provisions	-	-	1,229	-	1,229

The provisions for operating risks primarily relate to disputes with customers and lessors.

6.2 Income statement notes

Note 8: Net financial items

	H1 2011	H1 2010
Interest and related income	585	135
Total financial income	585	135
Interest and related expenses	(1,833)	(1,728)
Fair value adjustments on financial instruments	184	(534)
Discounting of pension liabilities	(18)	(20)
Other financial expenses	(243)	(179)
Total financial expenses	(1,910)	(2,461)
Total	(1,325)	(2,326)

Interest and related expenses largely relate to bank loans, financial lease liabilities and bank overdrafts.

Note 9: Corporate income tax

	H1 2011	H1 2010
Net current tax (charge)/income	(258)	44
Tax on added value	(1,191)	(983)
Total	(1,449)	(939)

Note 10: Earnings per share

The average number of shares was as follows:

(no. of shares)	H1 2011	H1 2010
Average number of shares in issue	2,052,930	2,052,930
Average number of treasury shares	-1,975	-1,458
Average number of shares	2,050,955	2,051,472
Equity warrants	155,520	155,520
Average number of diluted shares	2,206,475	2,206,992

6.3 Other information

Note 11: Change in working capital

	6/30/2011	6/30/2010
Inventories	46	(9)
Trade receivables	(1,570)	(8,581)
Trade payables	8,445	6,903
Operating working capital	6,921	(1,687)
Other receivables	(5,144)	(4,388)
Other payables	16	6,120
Non-operating working capital	(5,128)	1,732
Change in working capital	1,793	45

Note 12: Transactions with related parties

Transactions were undertaken at normal market conditions between the Group and affiliated companies as follows:

Company	Type of relationship	Transaction type	Income (expense)		Balance sheet asset or (liability)	
			H1 2011	H1 2010	6/30/2011	12/31/2010
Comète	Joint director	Services provided	(186)	(181)	(74)	(237)
Immod	Joint shareholder	Interest on finance	(4)	(18)	(428)	(837)
		Services provided	-	(60)	-	-
Les Parcs du Lubéron Gestion	Joint director	Services provided	12	62	29	(4)
Les Parcs du Lubéron 1	Joint director	Services provided	97	-	93	-

Transactions with equity affiliates, which are concluded at normal market conditions, related to ongoing administrative services and in total are not material in relation to the Group's business.

Note 13: Directors' remuneration

The chairman of the Board of Directors does not receive any remuneration from the Group. He receives remuneration from Comète, in which he holds a 95.97% equity stake, and which has signed services agreements with various Group subsidiaries. The services specified in these agreements include management related to strategy and sales growth.

The amounts of the aforementioned services are specified under Note 12.

Gross remuneration of other Board of Directors' members

	H1 2011	H1 2010
Expense type		
Total gross remuneration	255	13
Post retirement benefits	-	-
Other long-term benefits	-	-
One-time retirement compensation	-	-

Until June 21, 2010, the Company was incorporated as a *société anonyme par actions simplifiée* (French simplified joint stock company) and had a single corporate officer. The shareholders' general meeting dated June 21, 2010 approved the Company's transformation into a *société anonyme* (French joint stock company) with a Board of Directors comprising three directors.

The remuneration specified above takes account of these changes in proportion to time. The variable part of the total gross remuneration shown above is also presented in proportion to time.

Note 14: Commitments and contingencies

The Group's signed commitments at the balance sheet date were as follows:

	6/30/2011	12/31/2010
Commitments given		
Real estate leases	37,014	32,493
Plant and equipment leases	15,607	13,954
Parent company guaranties	4,947	4,982
Borrowings subject to covenants	2,339	3,252
Individual training entitlements ("DIF"), no. of hours	177,300	190,500
Commitments received		
Bank guarantees	8,279	7,890

Commitments given in relation to real estate and plant and equipment leases were as follows:

	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
At June 30, 2011				
Real estate leases	18,052	18,962	-	37,014
Plant and equipment leases	5,965	8,951	691	15,607

Authorized unused credit lines amounted to €9,400K as of June 30, 2011.

Note 15: Post balance sheet events

There were no significant events between the balance sheet date and the date when the consolidated financial statements were approved.

20.4 AUDIT OF THE HALF-YEAR HISTORIC FINANCIAL INFORMATION

"To the Shareholders,

In our capacity as statutory auditors of the ID Logistics Group and in response to your request in relation to your intention to have the Company's shares admitted for trading on the Euronext Paris market, we have performed a limited review of the condensed consolidated half-yearly financial statements (hereinafter the "financial statements") of said Company for the period from January 1, 2011 to June 30, 2011, which are appended to this report.

These financial statements were approved under the responsibility of the Board of Directors. Our responsibility is to express our findings concerning these financial statements on the basis of our limited review.

We have conducted our limited review in accordance with the professional standards applicable in France. A limited review consists primarily of making inquiries of the members of the management responsible for accounting and financial matters and applying analytical procedures. The work is of limited scope compared to the work required for an audit performed in accordance with the auditing standards applicable in France. Accordingly, the assurance obtained within the scope of a limited review that the financial statements, taken as a whole, are free from material misstatement is a moderate assurance, less than that obtained within the scope of an audit.

On the basis of our limited review, we did not identify any material misstatements that cause us to believe that the financial statements have not been prepared in accordance with IAS 34 – Interim Financial Reporting, which is included in the IFRS as adopted by the European Union.

This report is governed by French law. The French courts shall have exclusive jurisdiction to rule on any dispute, claim or disagreement arising from our engagement letter, this report or any related issue. Each party irrevocably waives its rights to oppose any action filed before these courts, to claim that the action has been filed before a court without jurisdiction or that these courts lack jurisdiction.

Paris and Neuilly-sur-Seine, September 14, 2011
The Statutory Auditors
Philippe Joubert — Deloitte & Associés
Represented by
Albert Aidan"

20.5 DATE OF THE MOST RECENT FINANCIAL INFORMATION

The most recent financial information is dated June 30, 2011 and is given under section 20.3 "Half-year historic financial information" of the Base Document.

20.6 DIVIDEND DISTRIBUTION POLICY

20.6.1 Dividends distributed in the last three fiscal years.

None

20.6.2 Dividend distribution policy

In view of the Group's strategy of development, which covers both organic growth and mergers and acquisitions, it is not planned to make any short-term commitments regarding dividend distribution policy.

However, the Company's Board of Directors will regularly review opportunities to pay out a dividend taking account of the general state of the economic environment, the specific state of its business sector, the Group's earnings, its financial position, the interests of the shareholders and any other factors it deems to be relevant.

20.7 COURT AND ARBITRATION PROCEEDINGS

The Group may be involved in court or arbitration proceedings or disputes with the public authorities in the course of its normal activities. The Group books a provision when there is a sufficient probability that such litigation will lead to costs for the Company or one of its subsidiaries, and that such costs can be reliably estimated.

To the Group's best knowledge, in the twelve months preceding the Base Document Date, there have not been any court or arbitration proceedings which could have, or have recently had, a material impact on the Group's financial position or earnings (including all proceedings of which the Company is aware or which are pending or threatened).

20.8 MATERIAL CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION

To the Company's best knowledge, there has not been any material change in the Group's financial or commercial position since June 30, 2011.

21 ADDITIONAL INFORMATION

The description below takes into account certain amendments to the bylaws voted at the combined ordinary and extraordinary general meeting of June 22, 2011, some of which were subject to the condition precedent that the Company's shares become listed on NYSE Euronext's Euronext Paris market.

21.1 CAPITAL STOCK

21.1.1 Amount of capital stock

Upon the Base Document Date, the Company's capital stock amounts to EUR 2,052,930.00 divided into 2,052,930 fully paid-up shares with a par value of EUR 1 each.

As described in Subsection 21.1.4 "Securities providing access to a fraction of the capital stock", of those shares constituting the Company's capital stock, 25,920 are shares with warrants: they each bear 6 warrants, i.e. a total of 155,520 warrants. Each warrant carries the right to subscribe for a share i.e., as of the Base Document Date, a potential maximum shareholding dilution of 7.04%.

21.1.2 Securities not providing access to the capital stock

Nil.

21.1.3 Acquisition by the Company of its own shares.

As of the Base Document Date, the Company does not hold any treasury shares and no shares of the Company are held by any of its subsidiaries whatsoever or by any third parties on its behalf.

The Company's Combined Ordinary and Extraordinary General meeting held on June 22, 2011 authorized the Board of Directors, for a period of eighteen months from the Meeting, to implement a redemption program for the shares of the Company pursuant to the provisions of Article L. 225-209 of the French Commercial Code and in accordance with the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers,* AMF) (provided, however, that this authorization may not be used by the Company prior to the admission of the Company's shares to trading on NYSE Euronext's Euronext Paris market) on the terms and conditions described below:

Maximum number of shares that may be acquired

- 10% of the capital stock as of the date of redemption of shares. When the shares are acquired with a view to fostering trading in and liquidity of the securities, the number of shares taken into account for the calculation of the 10% cap specified above is the number of shares acquired, less the number of shares sold back during the term of the authorization.

Purpose of share redemptions

- to foster trading in and liquidity of the Company's securities pursuant to a liquidity agreement to be entered into with an independent investment service provider, in conformity with the AMAFI Charter of Professional Ethics dated 8 March 2011 recognized by the French Financial Markets Authority on 21 March 2011; or
- to allow the fulfillment of the obligations related to the stock option, bonus share issue and employee savings programs or other share issues to employees of the Company or related entities, including (i) the implementation of any Company share option plan pursuant to the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, (ii) the allocation of

shares to employees based on their contribution to the growth of the firm and the implementation of any corporate savings plan in accordance with statutory conditions, in particular, Articles L. 3332-1 to L. 3332-8 *et seq.* of the French Employment Code, or (iii) the issue of bonus shares pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or

- to issue shares upon the exercise of rights attaching to securities giving access to capital stock through redemption, conversion, exchange, presentation of a warrant or by any other means, in accordance with applicable regulatory provisions; or
- to purchase shares to hold as treasury shares for subsequent reissue for exchange or payment with regard to any potential acquisition transactions; or
  - the cancellation of all or part of the securities thus bought back

Maximum purchase price

300% of the price of the shares offered to the public upon admission to trading on NYSE Euronext's Euronext Paris market, as such price is stated in the notice on the final characteristics of the public offering of the Company's shares and on the admission of such shares to trading on NYSE Euronext's Euronext Paris market, excluding costs and fees.

It is specified that the number of shares acquired by the Company to be held as treasury shares for reissue as consideration or in exchange in relation to a merger, demerger or contribution transaction must not exceed 5% of its capital stock

The shares thus bought back may be cancelled.

21.1.4 Securities providing access to a fraction of capital stock

As of the Base Document Date, Immod, a company holding 47.24 % of the Company's capital stock, holds 155,520 warrants whose main characteristics are:

- Date of issue: 13 October 2008, modified on 21 June 2010
- Number of shares that may be issued on exercise of warrants: 1 ordinary share for 1 warrant
- Subscription price for each share issued on exercise of warrants: 9 Euros
- Timetable of exercise of warrants: fully exercisable as of the Base Document Date
- Deadline for exercise of warrants: none
- As of the Base Document Date:
  - Number of warrants exercised: none
  - Number of warrants cancelled or void: none
  - Number of warrants remaining: 155,520

21.1.5 Authorized capital

The extraordinary resolutions for share issues approved by the shareholders' meeting of June 22, 2011 are summarized below:

	Term of validity	Cap (par value)	Procedures for determining issue price
Issue of shares and/or securities providing immediate and/or future access to the Company's capital stock, with continued effectiveness of preferential share subscription right	26 months	€1,200,000 (1)	
Issue without preferential share subscription right, by a public offering of shares and/or of securities providing immediate and/or future	26	€1,200,000 (1)	Refer to (2)

access to the Company's capital stock and option to confer a preferential right	months		
Capital increase immediately or in future by an issue of ordinary shares or of any securities providing access to the capital stock, capped at 20% of the capital stock per annum, without any shareholders' preferential share subscription right, by way of an offering to qualified investors or to a close circle of investors within the meaning of paragraph II of Article L-411-2 of the French Monetary and Financial Code (private placement)	26 months	€1,200,000 (1) and capped at 20% of capital stock per annum	Refer to (3)
Right to increase the number of securities to be issued in case of capital increase with or without preferential share subscription right	26 months	15% of initial issue (4)	Same price as initial issue
Issue of ordinary shares intended as consideration for contributions of securities in the event of a public exchange offering	26 months	€1,200,000 (1)	
Capital increase by way of issue of shares and/or of securities providing immediate and/or future access to the Company's capital stock without preferential share subscription right, as consideration for contributions in kind of capital securities or securities providing access to the capital stock	26 months	Capped at 10% of capital stock per annum	
Increase of capital stock by incorporation of reserves, profits or issue premiums and allocation of bonus shares or increase of Group's par value	26 months	€1,200,000	
Authorization to be given to the Board of Directors to grant Company share subscription or purchase options in favor of the employees and officers and directors of the group	38 months	Capped at 1% of capital stock	Refer to (5)
Authorization to be given to the Board of Directors to carry out bonus allocations of existing shares or issues in favor of the employees and officers and directors of the group	38 months	Capped at 1% of capital stock	
Capital increase by way of issue of shares for subscribers to a corporate savings plan implemented pursuant to Articles L-3332-18 to L3332-24 *et seq.* of the French Employment Code, with no preferential share subscription right in favor of such subscribers	26 months	Capped at 3% of capital stock	
Reduction of capital stock by cancellation of treasury shares	26 months	Capped at 10% of capital stock during a period of 24 months	

(1) These amounts are not cumulative. The maximum aggregate par value cap authorized by the shareholders' meeting in respect of capital increases is set at EUR 1,200,000. The aggregate nominal amount of the issue of debt securities in the Company carrying providing access to the Company's capital stock must not exceed EUR 50,000,000.

(2) The issue price will be determined as follows:

- A) in connection with the capital increase to be carried out upon admission of the Company's shares to trading on NYSE Euronext's Euronext Paris market, the subscription price for a new share shall be determined in light of a comparison of shares offers and subscription requests issued by investors as part of the process known as "construction of order book",
- B) once the shares have been admitted to trading on NYSE Euronext's Euronext Paris market, the issue price of the shares issued directly shall be at least equal to the minimum required under applicable statutory and regulatory provisions as of the date of the issue (that is as of

- the date hereof, in accordance with the provisions of the first paragraph of Article L. 225-136-1° of the French Commercial Code, the weighted average of listed prices at the last three trading sessions on NYSE Euronext's Euronext Paris market preceding the setting of the subscription price for the increase, reduced as the case may be by a maximum discount of 5% provided for in Article R. 225-119 of the French Commercial Code), after any correction of this average in case of difference between the vesting dates,
- C) the issue price of securities providing access to the capital stock shall be such that the amount immediately received by the Company, increased, where applicable, by that which could be subsequently received by it, i.e. for each share issued subsequently to the issue of these securities, at least equal to the minimum subscription price defined in the preceding paragraph,
- D) the conversion, redemption or generally the transformation into shares of each security providing access to the capital stock shall be, taking into account the par value of the bond, for a number of shares such that the amount collected by the Company, for each share, shall be at least equal to the minimum subscription price defined in paragraph B, above.
- E) subject to a cap of 10% of the capital stock per annum, the issue price must at least be equal to the weighted average of prices for the last three trading sessions preceding its determination, less a maximum discount of 15% where applicable,

(3) The issue price for the shares issued pursuant to this delegation, including future issues, if any (on the exercise of a warrant, on conversion of a bond or in connection with any other security providing access to capital stock that is issued pursuant to this resolution), shall be determined as follows:

- A) the issue price of the shares issued directly shall be at least equal to the minimum required under applicable statutory and regulatory provisions as of the date of the issue (that is as of the date hereof, in accordance with the provisions of the first paragraph of Article L. 225-136-1° of the French Commercial Code, the weighted average of listed prices at the last three trading sessions on NYSE Euronext's Euronext Paris market preceding the setting of the subscription price for the increase, reduced as the case may be by a maximum discount of 5% provided for in Article R. 225-119 of the French Commercial Code), after any correction of this average in case of difference between the vesting dates,

  B) furthermore, subject to a cap of 10% of the capital stock per annum, the Board of Directors is authorized to set the issue price, after taking market opportunities into consideration, at a price at least equal to the weighted average of prices for the last three trading sessions preceding the setting thereof, reduced where applicable by a maximum discount of 15%, it being stated that it must not under any circumstances whatsoever be less than the par value of a share of the Company as of the date of issue of the shares in question,

(4) 15% or any other percentage that is set by decree,

(5) The Board of Directors shall be free to set the price for exercise of the share subscription or purchase options referred to in this delegation, provided however that same is not less than 95% of the average of listed prices over the last 20 trading days prior to the date of the allocation.

21.1.6 Information on capital stock of any Group member subject to an option or conditional or unconditional agreement providing for an option in respect thereof

As far as the Company is aware, there is no call or put option or undertaking in favor of the Company's shareholders or any granted by them in respect of the Company's shares.

21.1.7 Capital stock history

21.1.7.1 Changes in capital stock since incorporation of the Company

Date	Nature of transactions	Capital stock (in Euros)	Issue premium (in Euros) (*)	Number of shares created	Par value (in Euros)	Company's capital stock (in Euros)
12 September 2001	Incorporation	40,000	-	4,000	10	40,000
21 January 2002	Capital increase	874,720	-	87,472	10	914,720
28 March 2002	Capital increase	381,100	-	38,110	10	1,295,820
21 December 2009	Capital increase	757,110	22,887,435.30	75,711	10	2,052,930
21 June 2010	Division of par value by 10	-	-	1,847,637	1	2,052,930

(*) The issue premiums above are stated at gross value whereas their values, net of capital increase costs, are noted in the financial statements.

The capital increases of 21 January 2002 and of 28 March 2002 were carried out by incorporation of the founders' and certain managers' shareholders' accounts credited since the setting up of the Company for the purposes of financing its activities.

The capital increase of 21 December 2009 was fully subscribed by Immod. It is in payment for the acquisition by the Company from Immod of a 29.5% shareholding in the La Financière de Commerce et de Participations (Ficopar) subsidiary.

21.1.7.2 Evolution of distribution of capital stock since 1 January 2008

The distribution of the Company's capital stock has evolved since 1 January 2008:

	01/01/2008	12/31/2008	12/31/2009	12/31/2010	Date of Base Document
Immod	10.17%	9.86%	45.32%	47.90%	47.24%
Eric Hémar	50.02%	50.02%	31.58%	31.58%	31.58%
Christophe Satin	6.48%	6.48%	4.09%	4.09%	4.09%
Michel Vinoche	5.69%	5.69%	3.59%	3.59%	3.59%
Treasury shares	-	-	-	0.12%	-
Others (1)	27.64%	27.95%	15.42%	12.72%	13.50%
Total	100%	100%	100%	100%	100%

(1) The other shareholders are employees or former employees of the Group, none of whom individually holds more than 2% of the capital stock or voting rights as of the Base Document Date

Eric Hémar was an indirect 90% shareholder of Immod until 31 December 2010 inclusive. As of the Base Document Date, Eric Hémar is an indirect 85.87% shareholder of Immod via Comète.

Christophe Satin was a 10% indirect shareholder of Immod until 31 December 2010 inclusive. As of the Base Document Date, Christophe Satin is a 14.13% indirect shareholder of Immod.

The main change in the distribution of the Company's capital stock since 1 January 2008 pertains to Immod's shareholding. As stated hereinabove in Subsection 22.1.7.1 "Changes in capital stock since creation of the Company" of the Base Document, on 21 December 2009, Immod subscribed to a capital increase which was fully reserved for it as consideration for the acquisition by the Company of a 29.5% shareholding in the La Financière de Commerce et de Participations (Ficopar) subsidiary from Immod.

Furthermore, Immod regularly carries out transfers of the Company's shares to and from the Group's employees as and when they leave or take up employment with the Group. After the IPO, shareholders' main source of liquidity will be the market itself.

21.1.7.3 Distribution of capital stock and voting rights

The distribution of the capital stock and voting rights is set out in Chapter 18, "Main shareholders", of the Base Document.

In view of the relations existing between Messrs Hémar and Satin since the Company's inception, their respective offices and their common status as shareholders of Immod, itself a shareholder of the Company, Messrs Hémar and Satin and Immod intend to formalize their relationship by signing a unanimous shareholders agreement prior to the admission of the company's shares for trading on the Euronext Paris market.

Assuming a fully-diluted basis of all securities providing access to the capital stock issued as of the Base Document Date, the capital stock and voting rights would be distributed as follows:

Shareholders	Shares and voting rights			
	Amount	Diluted Amount	Percentage of diluted capital stock	Percentage diluted voting rights
Immod [1]	969,749	1,125,269	50.95%	36.05%
Eric Hémar [1]	648,230	648,230	29.35%	39.86%
Christophe Satin [1]	83,910	83,910	3.80%	5.16%
Michel Vinoche	73,680	73,680	3.34%	4.53%
Others [2]	277,361	277,361	12.56%	14.40%
TOTAL	2,052,930	2,208,450	100%	100%

(1) As of the Base Document Date, Immod's capital stock is held indirectly as to 85.87% by Mr Eric Hémar via Comète and held indirectly as to 14.13% by Mr Christophe Satin.
(2) The other shareholders are employees or former employees of the Group, none of whom individually holds more than 2% of the capital stock or voting rights

21.2 CONSTITUTIONAL DOCUMENT AND BYLAWS

The description below takes into consideration the amendments to the bylaws voted at the Combined Ordinary and Extraordinary General Meeting of June 22, 2011, which were voted subject to the condition precedent that the Company's shares be admitted to NYSE Euronext's Euronext Paris market.

21.2.1 Corporate purpose *(Article 4 of the bylaws)*

The direct or indirect purpose of the Company, both in France and abroad is: advising on and performing logistics services throughout the world and acquiring an interest in any company carrying out any activity; any industrial and commercial transactions pertaining to the creation, acquisition, letting, lease-management of any business undertaking, the rental, installation, operation of any establishment, business undertaking, factory, workshop, pertaining to any of the activities specified above, the filing, acquisition, operation or the assignment of any processes and patents and intellectual property rights regarding such activities, the direct or indirect involvement of the Company in any financial, real property or movable property transactions or commercial or industrial enterprises which may pertain to the corporate purpose or to any similar or related purpose; as well as any transactions whatsoever contributing to the achievement of this purpose.

21.2.2 Provisions of the bylaws or other provisions pertaining to the members of the administrative and managing bodies.

Article 12 of the bylaws states that the board of directors sets the direction of the Company's business and ensures the implementation thereof. Subject to the powers expressly reserved to shareholders in general meeting and subject to the corporate purpose, it addresses any matters pertaining to the proper running of the Company and by its votes settles matters concerning the Company.

In dealings with third parties, the Company is bound by the acts of the board of directors, including where it is acting *ultra vires*, unless the Company shows that the third party was actually or constructively aware of the *ultra vires* nature of the act, provided, however, that the mere publication of the bylaws shall not suffice to constitute evidence to that effect.

The board of directors carries out all inspections and verification that it deems appropriate. Each director is provided with all necessary information for the performance of his duties and may request any document he deems useful.

The board of directors may decide to set up committees entrusted with the assessment of matters that the board or its chairman refers to such committees for review.

Directors may be individuals or legal entities. Legal entities must, upon appointment, name a permanent representative who shall be subject to the same terms and conditions and obligations and incur the same liability as if he were a director in his own right, without prejudice to the joint liability of the legal entity he represents.

This appointment as permanent representative is for a term equal to that of the appointment of the legal entity he represents. It is renewed on each renewal of the latter appointment.

If the legal entity terminates the appointment of its representative, it must immediately notify such termination to the Company by registered mail, and inform it of the identity of its new permanent representative. The same applies in the event of death, resignation or long-term unavailability of the permanent representative.

Individual directors may not hold office on more than five boards of directors or supervisory boards of private companies having their registered office in mainland France, save in the cases provided for by law.

An employee of the Company cannot be appointed as director unless his employment contract was entered into prior to his appointment and relates to an existing post. However, the number of directors with whom the Company has entered into an employment contract cannot exceed one third of directors in office.

Subject to statutory derogations, the board of directors shall comprise at least three members and no more than eighteen members. Throughout the duration of the company, directors are appointed, or their appointments renewed, by the shareholders' ordinary general meeting. However, in the event of a merger or demerger, the appointment of directors may be carried out at an extraordinary general meeting.

Vacancies - appointment by the board *(Article 13 of the bylaws)*

If one or more positions should become vacant on the board between two shareholders' meetings, as a consequence of death or resignation, the board of directors may make one or more appointments on a provisional basis.

Director appointments made by the board of directors are subject to ratification by the shareholders at the next ordinary general meeting. Failing ratification, resolutions adopted and acts performed prior thereto are invalid.

If only one or two directors remain in office, he or they, or alternatively, the statutory auditor(s), must immediately call a shareholders' ordinary general meeting to fill the vacant positions on the board.

A director appointed in replacement of another shall remain in office for the remaining term of appointment of his predecessor.

Term of directors' appointment *(Article 14 of the bylaws)*

The term of their appointment is three years.

A director ceases to hold office at the close of the ordinary general meeting which deliberates on the financial statements for the financial year ended, held in the year during which the term of office of said director expires.

The directors may always be re-appointed. They may be removed from office at any time by the ordinary general meeting.

Structure, meetings and voting of the board of directors *(Article 15 of the bylaws)*

1. Chairman

The board of directors elects an individual to be chairman from amongst its members and fixes his remuneration.

The chairman is appointed for a term which cannot exceed that of his appointment as director. He is eligible for re-appointment.

The board of directors may remove him from office at any time. Any contrary provision shall be deemed to be inapplicable.

The chairman of the board of directors represents the board of directors. He organizes and manages the board's duties, and reports to the shareholders' meeting on the performance thereof. He sees to the proper operation of the Company's decision-making bodies and verifies, in particular, that directors are in a position to perform their duties.

2. Board meetings

The board of directors shall meet upon notice from its chairman, as often as the Company's interests so require.

Where the board has not met for more than two months, at least one third of the members of the board of directors may request the chairman to convene same to vote upon a specified agenda. The managing director may also request the chairman to convene a meeting of the board of directors to deliberate on a specified agenda. The chairman is bound by the requests thus sent to him.

The meeting shall be held either at the registered office, or at any other venue indicated in the notice. The notice of the meeting may be made by any means, even verbally. All notices must state the main issues on the agenda.

An attendance register shall be kept and signed by the directors attending the meeting of the board of directors.

3. Quorum and majority

The effective presence of at least half of the directors is necessary in order for vote to be valid. Any director may, by any written means, appoint another director as his proxy to represent him at any meeting of the board. No director may hold more than one proxy at a given session. These provisions are applicable to the permanent representative of a legal entity appointed as director.

Save where the vote relates to

- the appointment, remuneration and removal of the chairman, managing director or deputy managing director,

- the approval of the financial statements and consolidated financial statements, directors taking part in board meetings by videoconference or any other means of telecommunication of a nature and implemented in accordance with regulatory provisions are deemed to be in attendance for the purposes of determination of the quorum and majority.

Decisions are taken by a majority of the votes of members in attendance or represented. In the event of a tie, the session's chairman has a casting vote.

Evidence of the number of directors in office and of their appointment vis-à-vis third parties shall validly consist of the mere recording in the minutes of each meeting of the names of the directors in attendance, represented or absent.

4. Minutes of proceedings

Voting of the board of directors is recorded in minutes of proceedings drawn up in accordance with the law and signed by the session's chairman and by a director or, in the event of unavailability of the chairman, by two directors.

Copies of or excerpts from these minutes may be certified by the chairman of the board of directors, a managing director, a director temporarily appointed as deputy chairman or an authorized person empowered to that end, such as the session's secretary.

5. Duties of confidentiality

The directors, as well as any person called to attend meetings of the board, are bound by a duty of confidentiality with respect to confidential information given as such by the chairman of the board.

Directors' remuneration *(Article 16 of the bylaws)*

The shareholders' meeting may award attendance fees to directors, the amount of which shall be recorded as operating expenditure of the Company and remains applicable until otherwise resolved by the shareholders' meeting.

The board of directors determines the apportionment of this remuneration as between the directors.

Exceptional remuneration may be awarded by the board of directors for assignments or mandates entrusted to the directors. In that event, such remuneration is recorded as operating expenditure and notified to the statutory auditors and is subject to the approval of the ordinary general meeting.

No remuneration, whether permanent or otherwise, other than that provided herein, may be awarded to directors unless they have entered into an employment contract with the Company on terms and conditions authorized by law.

General management *(Article 17 of the bylaws)*

Either the chairman of the board of directors, or another individual appointed by the board of directors as managing director, shall carry out and be responsible for the general management of the Company.

The board of directors shall choose between the two methods of general management. The decision as to the choice of the general management method shall be taken by a simple majority vote of the directors in attendance or represented. The chosen option must be implemented for a term which cannot be less than one year.

The managing director may be removed from office at any time by the board of directors. Where the managing director is removed without cause, he may be entitled to damages, unless the managing director holds the office of chairman of the board of directors.

The managing director is vested with the broadest powers to act under any circumstances in the name of the Company. He exercises these powers subject to the corporate purpose and subject to those expressly reserved by law to the shareholders' meetings or to the board of directors. He represents the Company in its dealings with third parties. The Company is bound by the acts of the managing director, including where he is acting *ultra vires*, unless the Company shows that the third party was actually or constructively aware of the *ultra vires* nature of the act, provided, however, that the mere publication of the bylaws shall not suffice to constitute evidence to that effect.

Decisions of the board of directors restricting the managing director's powers are not binding on third parties.

Where the general management of the Company is carried out by the chairman of the board of directors, the following provisions relating to the managing director are applicable to him.

The managing director is subject to the provisions governing the simultaneous holding of appointments as managing director, member of the management committee, sole managing director, director or member of the supervisory board of limited companies (*societies anonymes*) whose registered office is located in France.

On a motion by the managing director, the board of directors may appoint one or more individuals to assist the managing director, who shall hold the office of deputy managing director. The number of deputy managing directors cannot exceed five.

The deputy managing director may be removed from office at any time by the board of directors on a motion by the managing director. If the removal is decided upon without just cause, it may give rise to damages.

Where the managing director ceases to carry out his duties or is unable to carry out same, the deputy managing directors shall, unless otherwise resolved by the board, remain in office and continue to hold their powers until the nomination of the new managing director.

The board of directors shall determine the remuneration of the deputy managing directors. The board of directors shall, jointly with the managing director, determine the scope and term of the powers conferred on deputy managing directors. Vis-à-vis third parties, deputy managing directors shall hold the same powers as the managing director.

21.2.3 Rights, prerogatives and restrictions attaching to shares of the Company

21.2.3.1 Voting rights *(Article 25 of the bylaws)*

The voting right attaching to shares is proportional to the capital stock they represent. Each equity share or dividend share carries at least one vote. However, a double voting right as compared to that conferred on other shares, in light of the portion of the capital stock that they represent, is ascribed to all fully paid-up shares in respect of which it is shown that they have been registered for at least four consecutive years in the name of the same shareholder. In case of capital increase by incorporation of reserves, profits or issue premiums, or of exchange of shares in connection with share consolidation or division, the double voting right is conferred on shares allocated in respect of registered shares, provided that those have been held in registered form since allocation thereof, and that the shares in respect of which they were allocated benefited from the double voting right. The Company's merger or demerger shall not affect the double voting right that may be exercised within the beneficiary company if the bylaws of the latter provides for same.

Where shares are pledged, the voting right is exercised by their owner.

21.2.3.2 Rights to dividends and profits *(Article 11 of the bylaws)*

Each share carries an entitlement to ownership of the corporate assets, to the allocation of profits in proportion to the number of existing shares, in light of the par value of the shares and of the rights attaching to shares of each class.

21.2.3.3 Dividend lapse period *(Article 30 of the bylaws)*

Dividends that fail to be claimed within 5 years as of the date of distribution will be time-barred in favor of the State (Article L 1126-1 of the French General Public Entities' Assets Code).

21.2.3.4 Right to liquidation surplus *(Article 11 of the bylaws)*

Each share carries an entitlement to the liquidation surplus in proportion to the number of existing shares, in light of the par value of the shares and of the rights attaching to shares of each class.

21.2.3.5 Preferential subscription right *(Article 7 of the bylaws)*

The shares of the Company shall each carry a preferential right to subscribe to increases in capital.

21.2.3.6 Limitation of voting rights

Nil.

21.2.3.7 Identifiable bearer securities *(Article 9 of the bylaws)*

Shares shall be in registered or bearer form, as the shareholder may elect. Where shares are registered, they are registered in an individual account on the terms and conditions and in accordance with the procedures set out in applicable statutory and regulatory provisions.

The Company may in particular, at any time and in accordance with applicable statutory and regulatory provisions, request the central custodian holding the securities issue account (subject to payment of remuneration by the Company) to provide it with information on the holders of securities carrying an immediate or future voting right at its shareholders' meetings, as well as the number of securities held by each of them and, if any, the restrictions affecting such securities.

21.2.3.8 Buyback of Company shares.

Refer to paragraph 21.1.3.

21.2.4 Procedures for amending shareholder rights

The rights of shareholders as set out in the bylaws of the Company may only be amended by the extraordinary general meeting of the Company's shareholders.

21.2.5 Shareholders' general meetings

General rules *(Article 20 of the bylaws)*

Collective decisions of the shareholders are taken at shareholders' meetings, which are ordinary, extraordinary or special depending on the nature of the decisions on which they are called to vote.

Ordinary shareholders' meetings are those which are called to take all decisions that do not amend the bylaws. Any direct or indirect amendment to the bylaws shall be decided by extraordinary general meeting.

Special meetings are those held between holders of shares of a specified class to deliberate on any amendment of the rights attaching to the shares of such class. These meetings are called and vote on the same terms and conditions as extraordinary shareholders' meetings.

Any shareholders' meeting that is validly constituted shall represent all of the shareholders collectively.

Votes of shareholders' meetings are binding on all shareholders, even if absent, dissenting or incapable.

- Ordinary shareholders' meeting

  The ordinary general meeting is that which is called to take all decisions that do not amend the bylaws.

  It is convened at least once a year, in accordance with applicable statutory and regulatory notice and time periods, to deliberate on the financial statements of the preceding financial year.

  It has, *inter alia*, the following powers:

  - approving, amending or rejecting the financial statements submitted to it,
  - ruling on the allocation and appropriation of profits in compliance with the provisions of the bylaws,
  - granting or withholding release and discharge to directors for the performance of their management duties,
  - appointing and removing directors,
  - appointing the incumbent and alternate statutory auditor(s),
  - approving or declining appointments of directors made on a provisional basis by the board of directors,
  - setting the amount of directors' fees awarded to the board of directors,
  - ruling on the statutory auditor's special reports pertaining to agreements requiring the board of directors' prior authorization,
  - authorizing the issue of ordinary bonds as well as the granting of security in respect thereof,
  - authorizing issues of participating securities.

- Extraordinary general meeting

  The extraordinary general meeting alone is authorized to amend provisions of the bylaws. However, unless approved by the shareholders acting unanimously, it may not increase the shareholders' commitments, subject to transactions arising from an exchange or consolidation of shares that is validly resolved and implemented.

- Special meeting

  Special meetings ratify decisions of the shareholders' meeting that amend the rights pertaining to a class of shares.

  Where there are different classes of shares, the special meeting, deliberating in accordance with the quorum and majority requirements set out in the applicable governing provisions, exercises the powers conferred on it by law.

Notice and holding of shareholders' meetings *(Article 21 of the bylaws)*

Ordinary and extraordinary shareholders' meetings and, where applicable, special meetings, are called in accordance with the formal requirements and time limits laid down by law.

Shareholders' meetings take place at the registered office or at any other venue indicated in the notice.

They may take place by videoconference or by telecommunication means allowing for identification of the shareholders. In that case, shareholders attending the meeting by such means are deemed to be in attendance for the purposes of quorum and majority computations.

Agenda *(Article 22 of the bylaws)*

The agenda for the meetings is set by the person having served the meeting notice.

One or more shareholders, representing at least that portion of capital stock required by law and acting in accordance with statutory conditions and within the statutory time limits, may, by registered letter with delivery receipt, require draft resolutions to be included in the meeting agenda.

The meeting cannot deliberate on an item that is not included in the agenda, and the latter may not be amended upon second notice. The meeting may, however, at all times, remove one or more directors and replace them.

Conditions of admission - Access to meetings - Representation *(Article 23 of the bylaws)*

Shareholders' meetings comprise all shareholders whose securities are fully paid up and have been recorded for accounting purposes in the name of the shareholder upon the 3rd business day preceding the shareholders' meeting at midnight, Paris time, either in the registered share accounts kept by the Company, or in the bearer securities account kept by the authorized intermediary.

All shareholders shall have access to the shareholders' meeting, irrespective of the number of securities they hold, simply by producing evidence of their identity and the capacity in which they attend. The board of directors may, if it so deems appropriate, issue shareholders with personal admission cards in their names and demand that such cards be shown.

Any shareholder may grant a proxy on the terms and in accordance with the procedures laid down by law and applicable regulations. He may also vote by post on the terms and in accordance with the procedures laid down by law.

In particular, shareholders may, on the terms laid down in applicable statutory and regulatory provisions, send their proxy form and postal vote, either in paper form, or, further to a resolution of the board of directors published in the meeting notice documents, by electronic means.

The electronic form may be directly filled out and signed on the internet website implemented by the central meeting administrator or by any means determined by the board of directors in compliance with the terms and conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code (i.e., the usage of a reliable means of identification guaranteeing the link between the signature and the form), which may in particular consist of a user name and a password.

The proxy or vote thus expressed prior to the meeting by such electronic means, as well as the relevant delivery receipt, shall be deemed to constitute irrevocable written instruments that are binding on third parties, provided, however, that in case of transfer of securities that takes place prior to the third business day preceding the meeting at midnight, Paris time, the Company shall invalidate or amend, as the case may be, the proxy or the vote expressed prior to such date and time accordingly.

Attendance sheet – meeting committee – minutes of proceedings *(Article 24 of the bylaws)*

An attendance sheet complying with statutory requirements is kept at each meeting.

This attendance sheet, duly initialed by the shareholders in attendance and by the proxy holders (and to which are attached the proxies granted to each proxy holder), and where applicable postal voting forms, is certified as true by the meeting committee.

Meetings are chaired by the chairman of the board of directors or, in his absence, by a director specifically empowered to that end by the board. Failing this, the meeting itself elects its Chairman.

The duties of scrutineers are carried out by those two members of the meeting, in attendance and accepting such duties, who hold the greatest number of votes, whether personally or as proxy holders.

The committee thus formed appoints a secretary who may but need not be a shareholder.

The duties of the members of the committee are to verify, certify and sign the attendance sheet, to ensure the proper conduct of proceedings, to resolve incidents at meetings, to verify votes expressed, to verify the validity thereof, and to ensure that the minutes of proceedings are drawn up.

Minutes of proceedings are drawn up and copies of or excerpts from votes are issued and certified in accordance with applicable regulatory provisions.

Quorum - voting - number of votes *(Article 25 of the bylaws)*

At ordinary and extraordinary shareholders' meetings, the quorum is calculated with respect to all shares comprising the capital stock and, at special meetings, in respect of all shares of the relevant class, subject to deduction of shares deprived of their voting right pursuant to applicable statutory provisions.

A secret ballot may be requested either by the board of directors, or by shareholders representing at least one quarter of the capital stock and provided that they have submitted a written request to the board of directors to that effect.

The ordinary general meeting shall not deliberate validly on first notice unless the shareholders in attendance, represented or having expressed a postal vote, hold at least one-fifth of the shares carrying a voting right. On second notice, no quorum requirement shall apply.

It adopts resolutions by a majority of the votes held by the shareholders in attendance or represented, including the shareholders having voted by post.

The extraordinary general meeting shall not vote validly unless the shareholders in attendance, represented or having expressed a postal vote, hold at least one quarter of the shares carrying a voting right on first notice, and one fifth on second notice. Failing the latter quorum, the second meeting may be postponed to a date occurring no later than two months as of that of the second meeting.

It adopts resolutions by a two-thirds majority of the votes held by the shareholders in attendance or represented, including the shareholders having voted by post.

As a statutory derogation to the above provisions, the shareholders' meeting that deliberates on a capital increase by way of incorporation of reserves, profits or issue premiums, may adopt resolutions in accordance with the quorum and of majority requirements applicable to ordinary general meetings.

Furthermore, at extraordinary shareholders' meetings called to deliberate on the approval of a contribution in-kind or the grant of an individual benefit, the contributor or the beneficiary whose shares are deprived of voting rights shall not take part in the deliberations, whether personally or as proxy holder.

21.2.6 Mechanisms for delaying, deferring or preventing a change of control

The bylaws of the Company do not contain any mechanism for delaying, deferring or preventing a change of control.

21.2.7 Crossing of thresholds set in the bylaws *(Article 9 of the bylaws)*

In addition to the statutory duty to inform the Company of the ownership of certain percentages of the capital stock or voting rights, the bylaws of the Company provide that any individual or legal entity, acting alone or in concert, that directly or indirectly holds a number of shares or voting rights in the Company that is equal to or greater than 2% of the Company's capital stock or voting rights must, no later than prior to the close of trading on the fourth trading day following the crossing of the threshold as of registration of the securities allowing that shareholder to attain or exceed this threshold, to disclose to the Company, by registered letter with delivery receipt, the total number of shares and voting rights that he or it possesses as well as all the details and other information that may be required as a result of the statutory duty of disclosure of crossing of thresholds.

This disclosure shall be renewed in accordance with the foregoing provisions whenever a new 2% threshold is reached or exceeded, whether upwards or downwards, irrespective of the reason therefor, including beyond the first statutory threshold.

In case of non-compliance with the foregoing provisions, the shareholder(s) in question shall be deprived of the voting rights attaching to the securities exceeding the thresholds requiring a declaration, on the terms and conditions and subject to the limitations laid down by law.

21.2.8 Special provisions governing capital stock changes

The Company's bylaws do not contain any special provisions governing changes to its capital stock.

22 MATERIAL CONTRACTS

The Company has not entered into material contracts other than those executed in the ordinary course of business.

23 INFORMATION PROVIDED BY THIRD PARTIES, EXPERTS' DECLARATIONS AND DISCLOSURES OF SELF-INTEREST

Nil

24 DOCUMENTS ACCESSIBLE TO THE GENERAL PUBLIC

All of the Company's corporate documents which are required to be made available to the shareholders may be viewed at the Company's registered office.

The following in particular may be reviewed:

(a) the constitutional document and the bylaws of the Company;
(b) all reports, correspondence and other documents, historical financial information, valuations and declarations drawn up by any expert at the Company's request, part of which is included or referred to in the Base Document;
(c) the Company's historical financial information for each of the two financial years preceding publication of the Base Document.

As of the admission of the Company's shares to trading on the Euronext Paris market, the regulated information within the meaning of the provisions of the General Regulations of the French Financial Markets Authority shall also be available, in accordance with the requirements of applicable statutory and regulatory provisions, on the Group's internet website (www.id-logistics.com).

25 INFORMATION ON SHAREHOLDINGS

See Chapter 7 “Organization chart” and Note 26 to the 2010 consolidated financial statements presented in Section 20.1 “Annual historical financial information”.

APPENDIX 1

GLOSSARY

Collaborative Consolidation Center (CCC)	Supplier consolidation center
Operating Specifications	Describe the entire service and assets to be provided by the Group
Quality Specifications	Describe the quality commitments undertaken and how they are to be measured
Shipper	The order issuer of the logistics operator
CID	A scheme for the certification of best practices which has been gradually rolled out to all Group entities and which enables the Group to guarantee a consistent and high-level operating quality all over the world
Multi-supplier consolidation	The sharing of a warehouse by several suppliers of the same customer. The goods remain the property of the suppliers, which are often too small to be able to deliver regularly to retailers at a competitive price. This type of storage guarantees the availability of products to the customer.
Co-packing	Packaging operation involving the grouping of parts into a batch (special offers, for example) or for shop displays
Cross docking	Organization of transport such that the goods are received from the suppliers and customer orders prepared and shipped on the same day, with zero storage time
Datacenters	Servers for storage and backup of all data (transport flows, inventories, etc.) managed by ID Logistics
HBA	Health, Beauty & Accessories
Shared distribution center (EMCA)	The principle of these warehouses involves setting up a regional industrial inventory hosted at a retailer's logistics warehouse with rail access, from which products will be shipped both to the retailer's stores and also to other retailers' warehouses.
EDI/WEB EDI	Electronic Data Interchange: the transfer of information in electronic form either by direct connection or via the internet (WEB EDI)
Engineering	The specific activity of defining, designing and analyzing projects for works, operations, coordination, support or control with a view to the execution and management of such projects
Shipment "per pallet"	A form of shipment and pricing per pallet unit (as opposed to full load)
Fast Moving Consumer Goods (FMCG)	Goods that are sold quickly and generally have a low price
Freight forwarding	The organization and management of international transport. The freight forwarder acts as an intermediary between its customer and the international transportation operators and organizes the transit arrangements for the transported goods (insurance, customs and administrative formalities, transport solutions, etc.)
GHG	Greenhouse gas
ICPE	"*Installation Classée pour la Protection de l'Environnement*" – site classified facility for the protection of the environment
"Class A" logistics building	Warehouses with a height of over 9.3m and a maneuvering area over 35m deep. The buildings must also be insulated,

	heated and equipped with sprinkler systems, with a load-bearing capacity of at least 5 tons per sqm.
Kanban	A method of production management of Japanese origin designed to ensure just-in-time procurement by means of a card system. The aim of this method is to adapt the inventory level in accordance with actual and forecast consumption
Kitting	Putting several items together to form a kit or pack
Key Performance Indicator (KPI)	A set of performance indicators designed to measure the operating quality achieved in relation to a customer contract
Full load	A load that fills the whole vehicle (truck, freight wagon, barge, etc.), by occupying the entire floor space or by its volume or weight, leaving from a single point and delivered to a single customer
Traditional pallet distribution	Transportation, mainly by road, typified by the weight of packages (less than 500 kg) and speed of delivery
Pick-n-Go / Pick and Go	A system combining the classic picking truck, a voice-operated/radio frequency system, a WMS and a laser guiding system operated by means of terminals situated in the warehouse. The system facilitates the handling of goods and the movements of operators.
Radio Frequency Identification (RFID)	Technology enabling the remote collection and storage
Psychosocial risks	Principally stress at work
Supply chain	The flow of goods and information through logistics processes from the purchase of raw materials to delivery of the finished products to the customer. The supply chain includes all service providers and customers
Mini-load system	An automated compact storage system
Transport Management System (TMS)	A system of transport management enabling providers to manage and plan the customer's transport requirements and to offer optimized integration of the transport organization within its supply chain
Voice-Picking	A system of order picking controlled by voice recognition. The order picker wears a single ear headset
Warehouse Management System (WMS)	Warehouse management software