Half-year financial report

6 months ended June 30, 2013

ID LOGISTICS GROUP
Société anonyme **(French corporation) with €2,791,440.50 capital**
Head office: 410, route du Moulin de Losque - 84300 Cavaillon
AVIGNON Trade & Companies Registry No. 439 418 922

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1 PERSON RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

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

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements for the six months ended June 30, 2013 were prepared in accordance with the applicable accounting standards and give a fair view of the Company’s assets and liabilities, financial position and earnings, as well as those of all of its consolidated companies. I also certify that the attached half-year business report presents a fair statement of key events that occurred during the first six months of the year, the impact thereof on the financial statements and the main related party transactions, as well as a description of the main risks and uncertainties to be faced during the remaining six months of the year.

Cavaillon, August 28, 2013

Eric Hémar
Chairman and CEO

2 HALF-YEAR BUSINESS REPORT

The reader is invited to read the following information concerning the Group's financial position and earnings in conjunction with the condensed consolidated financial statements for the six months ended June 30, 2013 as set out in Chapter 3 "Condensed financial statements" of the half-year financial report.

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%.

2.1 First half highlights

On June 13, 2013, the Group signed a memorandum of understanding to acquire CEPL, a French contract logistics service provider. The company provides its manufacturing and retail customers a detailed picking service for the preparation of orders. The company operates 27 logistics sites amounting to 600,000 square meters and currently has 2,200 employees in four countries (France, Spain, Germany and the Netherlands). CEPL's estimated revenues for the year ended August 31, 2013 amount to €180 million.

2.2 Consolidated income statement

€m	H1 2013	H1 2012
Revenues	310.7	268.0
Purchases and external charges	(161.5)	(134.9)
Staff costs	(128.6)	(117.4)
Miscellaneous taxes	(5.0)	(3.9)
Other underlying income (expenses)	(0.1)	0.1
Net (increases) / write-backs to provisions	0.6	(0.5)
Net depreciation/impairment	(7.7)	(7.0)
EBIT	8.5	4.5
Non-recurring expenses	-	(6.4)
Operating income	8.5	(1.9)
Net financial items	(1.7)	(1.5)
Corporate income tax	(2.7)	0.3
Share of earnings of equity affiliates	0.0	0.0
Total consolidated net income	4.2	(3.0)
Of which minority interests	0.3	(0.2)
Of which Group share	3.9	(2.8)

First half 2013 consolidated revenues came in at €310.7 million, up 15.9% over 2012 (18.9% like for like and excluding the fruit and vegetables business closed in June 2012), and break down as follows:

€m	H1 2013	H1 2012

France	180.2	168.6
International	130.5	99.4
Total revenues	310.7	268.0

First half France revenues grew by 6.9% compared to first half 2012. The first time consolidation of France Paquets, which was acquired in December 2012, substantially offsets the reduction due to the June 2012 closure of the pallet delivery and fruit and vegetables pooling operations. Like for like top-line growth in France amounted to 7.8%, boosted by new contracts that came in during 2012.

First half international revenues came in up 31.3%. Adjusting for the currency loss due to depreciation in the Brazilian Real, international revenues leapt by 38.1%, principally driven by booming growth in emerging markets, notably Brazil, Argentina, South Africa and Poland.

Taking these changes into account, the International segment continues to grow, representing 42% of Group first half 2013 revenues.

First half 2013 purchases and external charges amounted to €161.5 million, or 52.0% of revenues, up from 50.3% of revenues in first half 2012, largely due to greater use of temporary staff in first half 2013, which in turn arose due to the launch of a large number of new sites since mid-2012.

First half 2013 staff costs amounted to €128.6 million and represented 41.4% of revenues, down from €117.4 million and 43.8% of revenues in first half 2012. The lower percentage of revenues was largely due to the first half 2012 closure of the pallet delivery and fruit and vegetables pooling operations announced in February 2012, which resulted in a steeper reduction in revenues than staff costs, whereas the staff severance program did not take effect until June 2012. To a lesser extent, this reduction is also due to deducting income of €1.5 million relating to the French "CICE" (tax credit for employment competitiveness) against H1 2013 staff costs. Lastly, the reduction reflects the increased use of temporary staff as stated above.

First half 2013 miscellaneous taxes increased in line with revenue growth compared to H1 2012. Other income and expenses were not material in both first half 2012 and first half 2013. Similarly, net increases/write-backs to provisions were also close to zero in both years.

Depreciation increased marginally less than the increase in revenues.

The table below shows the impact of these changes on EBIT margins:

€m	H1 2013	H1 2012
France	7.2	3.5
EBIT margin (% revenues)	*4.0%*	*2.1%*
International	1.3	1.0
EBIT margin (% revenues)	*1.0%*	*1.0%*
Total	8.5	4.5
EBIT margin (% revenues)	*2.7%*	*1.7%*

First half 2013 EBIT amounted to €8.5 million generating an EBIT margin of 2.7%, a sharp improvement compared to H1 2012. First half 2012 earnings were hit by a €1.9 million underlying loss (on €5.0 million of revenues) for the pallet delivery and fruit and vegetables pooling business, which was closed in June 2012. Furthermore, as stated above, first half 2013 earnings were boosted by a €1.5 million CICE tax credit that was introduced as from January 1, 2013.

First half 2012 non-recurring costs represented expenses to close the pallet delivery and fruit and vegetables pooling business.

First half 2013 net financial items largely consist of a net financial expense of €1.6 million compared to €1.3 million in H1 2012. This increase is primarily due to lower returns earned on cash investments in Brazil and Argentina. Other financial items comprise results on interest rate hedging instruments, which came to a net €0.2 million expense in H1 2012 and was close to zero in H1 2013.

Corporate income tax includes the French tax "CVAE" (tax on business value added) amounting to €1.7 million in H1 2013 and a similar charge in H1 2012. Excluding CVAE, the first half 2013 corporate income tax charge amounted to €1.0 million based on the Group's effective tax rate of 27%. In first half 2012 corporate income tax represented income of €2.0 million based on the Group's effective tax rate of 22% with the exception of non-recurring costs, for which the corresponding tax saving was based on the actual tax rate of 36.1%.

The share of earnings of equity affiliates remained stable in H1 2013 compared to the same period last year.

In view of the above, first half 2013 consolidated net income amounted to €4.2 million compared to a €3.0 million loss for the first half of 2012.

2.3 Consolidated cash flow statement

€m	H1 2013	H1 2012
Net income	4.2	(3.0)
Net depreciation, impairment and provisions	7.3	8.4
Tax charge net of tax paid	(0.4)	(2.8)
Net financial costs from financing activities	1.6	1.3
Fair value adjustments on financial instruments	(0.2)	0.0
Share of undistributed earnings of equity affiliates	(0.0)	(0.0)
Change in working capital	(1.0)	(0.4)
Net cash flow from operating activities	11.6	3.4
Net cash flow from investing activities	(8.4)	(10.7)
Net borrowings taken out (repaid)	(1.4)	(1.6)
Net financial costs from financing activities	(1.6)	(1.3)
Treasury share transactions	(0.0)	(0.3)
Capital increase after costs	-	26.7
Net cash flow from financing activities	(3.0)	23.5
Exchange gains (losses)	(0.2)	(0.3)
Net change in cash and cash equivalents	(0.1)	16.0
Opening net cash and cash equivalents	45.5	18.0
Closing net cash and cash equivalents	45.4	34.0

Net cash flow from operating activities

First half 2013 net cash flow from operating activities came in at €11.6 million, sharply up on first half 2012 (€3.4 million).

- Before the change in working capital, first half cash flow amounted to €12.6 million compared to €3.8 million in H1 2012. First half 2012 was hit by an operating loss and closure costs for the pallet delivery and fruit and vegetables pooling business, which was closed early in June

2012. Adjusting for these non-recurring items, first half 2012 operating cash flow came to €11.2 million before change in working capital.

- The first half 2013 change in working capital represented a €1.0 million cash outflow compared to a €0.4 million cash outflow in H1 2012. The first half 2012 change in working capital was boosted by the fact that not all costs to close the pallet delivery and fruit and vegetables pooling business were paid during the period. By contrast, the first half 2013 change in working capital was reduced by €0.9 million due to the fact that some closure costs were paid out during first half 2013. Adjusting for these non-recurring items, the first half 2013 change in working capital came to a €0.1 million cash outflow, an improvement compared to a €3.9 million cash outflow in H1 2012.
- In total, first half 2013 net cash flow from operating activities excluding the pallet delivery and fruit and vegetables pooling business came in at €12.5 million, up from €7.2 million in first half 2012.

Net cash flow from investing activities

First half 2013 net cash flow from investing activities amounted to €8.4 million down from €10.7 million in H1 2012. This reduction arose due to the launch of new sites during first half 2012, notably in France with the new national platform for Marionnaud for which a mechanized solution was installed.

Net cash flow from financing activities

Total first half 2013 net cash flow from financing activities represented a €3.0 million outflow compared to a €23.5 million net cash inflow in first half 2012.

- First half 2012 cash flow was boosted by a €26.7 million issue of stock net of transaction costs in conjunction with the Group's IPO.
- Treasury stock transactions were undertaken in conjunction with the Group's liquidity contract.
- First half 2013 net repayments of borrowings are similar to first half 2012.

In view of the above items and after exchange differences, Group net cash flow remained stable during first half 2013 compared to first half 2012 (€16.0 million net cash inflow including a €22.3 million inflow for non-recurring items).

2.4 Consolidated balance sheet

€m	6/30/2013	12/31/2012
Non-current assets	143.1	142.8
Trade receivables	104.6	94.9
Trade payables	(81.1)	(74.9)
Tax and social security payables	(84.7)	(78.7)
Other net receivables and provisions	6.6	2.0
Working capital	(54.6)	(56.7)
Net borrowings	8.4	8.9
Shareholders' equity, Group share	77.1	74.7
Minority interests	3.0	2.5
Shareholders' equity	80.1	77.2

In line with a low capital assets strategy, June 30, 2013 non-current assets remained stable in relation to December 31, 2012 despite revenue growth.

Working capital at June 30, 2013 represented a net cash resource amounting to €54.6 million. The main changes since December 31, 2012 were as follows:

- Trade receivables rose in line with revenues and stood at 51 DSO (days sales outstanding) at June 30, 2013, similar to December 31, 2012.
- Trade payables stood at 75 days of purchases at June 30, 2013, down compared to December 31, 2012 (79 days) but similar to June 30, 2012 (74 days).
- Tax and social security payables represented 49 days of sales at June 30, 2013, compared to 51 days at December 31, 2012.
- Other net receivables and provisions rose by €4.6 million compared to December 31, 2012, largely due to the French CICE tax and prepaid expenses incurred for the July 2013 CEPL acquisition.

Group borrowings can be broken down as follows:

(€m)	6/30/2013	12/31/2012
Real estate leases	26.5	27.9
Asset finance leases	22.2	20.9
Other borrowings	5.0	5.6
Gross borrowings	53.7	54.4
Net cash and cash equivalents	45.4	45.5
Net borrowings	8.4	8.9

As of June 30, 2013, most of the Group's borrowings (in the form of bank loans or finance leases) are taken out by French legal entities. At this date, 51% of the Group's borrowings before interest rate hedges are subject to floating interest rates. After interest rate hedges, a non-material portion of the Group's borrowings is subject to floating interest rates.

Shareholders' equity increased by €2.9 million to €80.1 million after accounting for first half 2013 net income of €4.2 million and a currency loss of €1.3 million.

2.5 Recent developments and outlook

- Seasonal factors
  Although Group revenues are not subject to major seasonal differences, second-half revenues tend to be slightly higher than first-half revenues, in view of the Group's customer typology and growth profile, and excluding the impact of major discontinued operations.
  First-half revenues on the other hand tend to be more volatile in terms of volumes with larger swings between business peaks and lows than in the second half. This volatility is reflected in lower operational productivity and first half EBIT is generally lower than in the second half.

- In view of the high revenues in first half 2013, Group management are confident that the company will manage to achieve the 2013 double digit revenue growth target, while EBIT is also expected to improve.

- In July 2013, the Group completed the acquisition of CEPL, a French contract logistics service provider. This company provides its manufacturing and retail customers a detailed picking service for the preparation of orders. The company operates 27 logistics sites amounting to 600,000 square meters and has 2,200 employees in four countries (France, Spain, Germany and the Netherlands). CEPL's estimated revenues for the year ended August 31, 2013 amount to €180 million. In conjunction with this acquisition, ID Logistics Group carried out a €4.0 million stock issue and capital increase and took out a loan amounting to €75.0 million.

2.6 Main risks and uncertainties

The Group's main risks and uncertainties as specified under Chapter 2 of the Registration Document filed with the *Autorité des Marchés Financiers* (French financial markets regulator) on April 30, 2013, have not materially changed at June 30, 2013. As of said date, these are still the main risks and uncertainties facing the Group.

3 CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	H1 2013	H1 2012
Revenues		**310,725**	**267,999**
Purchases and external charges		(161,502)	(134,930)
Staff costs		(128,603)	(117,372)
Miscellaneous taxes		(4,971)	(3,930)
Other underlying income (expenses)		(57)	148
Net depreciation/impairment		(7,667)	(6,973)
Net (increases) write-backs to provisions		551	(459)
EBIT		**8,476**	**4,483**
Non-recurring expenses		-	(6,388)
Operating income		**8,476**	**(1,905)**
Financial income	Note 8	526	535
Financial expenses	Note 8	(2,202)	(2,005)
Group income before tax		**6,800**	**(3,375)**
Corporate income tax	Note 9	(2,652)	343
Share of earnings of equity affiliates		45	2
Total consolidated net income		**4,193**	**(3,030)**
Of which minority interests		345	(196)
Of which Group share		3,848	(2,834)
Earnings per share, Group share			
Basic EPS (€)	Note 10	0.70	(0.63)
Diluted EPS (€)	Note 10	0.67	(0.59)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€000)	H1 2013	H1 2012
Total consolidated net income	**4,193**	**(3,030)**
Exchange differences	(1,356)	(509)
Other items of comprehensive income	160	(24)
Total gains and losses posted to shareholders' equity net of tax	**(1,196)**	**(533)**
Comprehensive net income	**2,997**	**(3,563)**
Of which minority interests	456	(209)

Of which Group share	2,540	(3,354)

CONSOLIDATED BALANCE SHEET

(€000)	Notes	6/30/2013	12/31/2012
Goodwill	Note 1	60,641	60,641
Intangible assets	Note 1	3,365	3,472
Property, plant and equipment	Note 2	65,583	65,961
Investment in equity affiliates		1,186	1,141
Other non-current financial assets		3,284	2,664
Deferred tax assets		8,998	8,887
Non-current assets		**143,057**	**142,766**
Inventories		225	221
Trade receivables	Note 3	104,620	94,919
Other receivables	Note 3	25,895	20,692
Other current financial assets		3,794	3,120
Cash and cash equivalents	Note 4	46,063	46,847
Current assets		**180,597**	**165,799**
Total assets		**323,654**	**308,565**
Capital stock	Note 5	2,737	2,737
Additional paid-in capital	Note 5	49,562	49,562
Exchange differences		(2,154)	(823)
Consolidated reserves		23,142	19,075
Net income for the year		3,848	4,118
Shareholders' equity, Group share		**77,135**	**74,669**
Opening minority interests		2,670	2,194
Exchange differences - minority interests		(29)	(142)
Net income - minority interests		345	479
Minority interests		2,986	2,531
Shareholders’ equity		**80,121**	**77,200**
Borrowings (due in over 1 yr)	Note 6	40,887	41,702
Long-term provisions	Note 7	2,030	1,893
Deferred tax liabilities		115	116
Non-current liabilities		**43,032**	**43,711**
Short-term provisions	Note 7	8,471	8,975
Borrowings (due in less than 1 yr)	Note 6	12,141	11,839
Other current financial liabilities		712	863
Bank overdrafts	Note 4	678	1,380
Trade payables		81,142	74,869
Other payables		97,357	89,728
Current liabilities		**200,501**	**187,654**
Total liabilities and shareholders’ equity		**323,654**	**308,565**

CONSOLIDATED STATEMENT OF CASH FLOWS

ID LOGISTICS GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	Note	H1 2013	H1 2012
Net income		4,193	(3,030)
Net depreciation, impairment and provisions		7,331	8,372
Fair value adjustments on financial instruments		(150)	13
Share of undistributed earnings of equity affiliates		(45)	(2)
Change in working capital	Note 11	(996)	(384)
Net cash flows from operating activities after net cost of debt and tax		**10,333**	**4,969**
Corporate income tax	Note 9	2,652	(343)
Net financial costs from financing activities	Note 8	1,614	1,283
Net cash flows from operating activities before net cost of debt and tax		**14,599**	**5,909**
Tax paid		(3,041)	(2,480)
Net cash flow from operating activities		**11,558**	**3,429**
Purchase of intangible assets and PP&E	Notes 1- 2	(8,200)	(10,616)
Purchase of financial assets		(921)	(865)
Fixed asset payables		75	111
Sale of intangible assets and PP&E		479	175
Sale of financial assets		168	522
Net cash flow from investing activities		**(8,399)**	**(10,673)**
Net financial costs from financing activities	Note 8	(1,614)	(1,283)
Loans received		5,766	6,536
Loan repayments		(7,190)	(8,143)
Treasury share transactions		(10)	(257)
Capital increase		-	26,668
Net cash flow from financing activities		**(3,048)**	**23,521**
Exchange gains (losses)		(193)	(297)
Net underlying change in cash and cash equivalents		**(82)**	**15,980**
Opening net cash and cash equivalents	Note 4	45,467	17,973
Closing net cash and cash equivalents	Note 4	45,385	33,953

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
December 31, 2011	**2,053**	**22,887**	**19,483**	**59**	**44,482**	**2,550**	**47,032**
H1 2012 net income			(2,834)		(2,834)	(196)	(3,030)
Gains and losses posted to shareholders' equity				(508)	(508)	(13)	(521)
Treasury shares			(256)		(256)		(256)
Capital increase	684	26,675			27,359		27,359
June 30, 2012	**2,737**	**49,562**	**16,393**	**(449)**	**68,243**	**2,341**	**70,584**
H2 2012 net income			6,952		6,952	675	7,627
Gains and losses posted to shareholders' equity			40	(374)	(334)	(344)	(678)
Treasury shares			15		15		15
Distribution of dividends					-	(281)	(281)
Change in percentage interest			(207)		(207)	140	(67)
December 31, 2012	**2,737**	**49,562**	**23,193**	**(823)**	**74,669**	**2,531**	**77,200**
H1 2013 net income			3,848		3,848	345	4,193
Gains and losses posted to shareholders' equity			25	(1,331)	(1,306)	110	(1,196)
Treasury shares			(76)		(76)		(76)
June 30, 2013	**2,737**	**49,562**	**26,990**	**(2,154)**	**77,135**	**2,986**	**80,121**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

ID Logistics Group SA is a *société anonyme* (French corporation) 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, 2013 were approved by the Board of Directors on August 28, 2013. Unless otherwise indicated, they are presented in thousands of euros.

Business activity during the period ended June 30, 2011 did not experience any major seasonal fluctuations in revenues.

2 BASIS FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Interim financial statements

Pursuant to European Regulation 1606-2002, the ID Logistics Group condensed consolidated interim financial statements for the six months ended June 30, 2013 were prepared in accordance with IAS 34 – Interim Financial Reporting. Since these financial statements are condensed, they do not contain all the disclosures required under IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2012 available online at id-logistics.com.

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, 2013, which may be viewed on the website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

These accounting principles are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2012, which are presented in Note 2 to the 2012 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.

• The French "CICE" (tax credit for employment competitiveness) income deducted from staff costs for first half 2013 equals half the estimated CICE income for the full year.

2.2 Change in accounting principles

2.2.1 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2013

The new standards, amendments and interpretations published by the IASB and compulsorily applicable in 2013 did not have a material impact on the Group financial statements:

- Amendments to IFRS 1 - Serious hyperinflation and government loans;
- Amendments to IFRS 7 - Offsetting financial assets and financial liabilities;
- Amendments to IAS 12 - Deferred tax: recovery of underlying assets;
- Amendments to IAS 19 - Employee benefits;
- 2012 annual improvements in IFRS (May 2012);
- IFRS 13 - Fair value measurement;
- IFRIC 20 - Stripping costs in the production phase of a surface mine.

Amendments to IAS 19 – Employee benefits

This amendment, which is applied retrospectively, makes three major changes to accounting for post-employment employee benefits as follows:

- All actuarial differences have to be posted immediately to equity with no subsequent transfer to income;
- The full cost of past services must be immediately recognized in income when the plan is changed;

- The notion of expected return on plan assets in income is superseded by a normal return, the rate of which, regardless of the investment strategy, must equal the discount rate applied to the liability. Any excess of the actual return over such normal return must be immediately credited to equity with no subsequent transfer to income.

The impacts of the above amendments are not material and the comparative figures have not been adjusted.

2.2.2 New standards, amendments and interpretations adopted by the European Union and compulsory for fiscal years beginning 2014

The Group has not applied in advance new standards and other amendments and interpretations approved by the European Union, including the following:

- Amendments to IAS 27 - Separate financial statements;
- Amendments to IAS 28 - Investments in associates and joint ventures;
- Amendments to IAS 32 - Offsetting financial assets and financial liabilities;
- Amendments to IFRS 10, 11,12 - Transition guidance;
- IFRS 10 - Consolidated financial statements;
- IFRS 11 - Joint arrangements;
- IFRS 12 - Disclosure of interests in other entities.

The Group has not applied in advance new standards and other amendments to standards and interpretations not yet approved by the European Union, including the following:

- Amendments to IFRS 10 and 12 and IAS 27 - Investment entities;
- IFRS 9 - Financial instruments;
- IFRIC 21 – Levies.

The Group is currently analyzing the consequences of these new standards, amendments and interpretations and the impact of their application on the financial statements.

3 HIGHLIGHTS

No significant changes in consolidation took place during the first half of 2013.

On June 13, 2013, the Group signed a memorandum of understanding to acquire CEPL, a French contract logistics service provider. The company provides its manufacturing and retail customers a detailed picking service for the preparation of orders. The company operates 27 logistics sites amounting to 600,000 square meters and currently has 2,200 employees in four countries (France, Spain, Germany and the Netherlands). CEPL's estimated revenues for the year ended August 31, 2013 amount to €180 million.

4 SEGMENT INFORMATION

Pursuant to IFRS 8 – “Operating segments”, the information below for each operating segment is identical to that presented to the chief 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:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The Group's chief operational decision-maker has been identified as the Chairman and CEO and the Deputy General Manager, 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, South Africa, 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 chief decision-makers relating to continuing operations, is as follows:

	H1 2013			H1 2012		
	France	**International**	**Total**	**France**	**International**	**Total**
Revenues	182,082	131,275	**313,357**	169,562	99,707	**269,269**
Inter-segment revenues	(1,898)	(734)	**(2,632)**	(958)	(312)	**(1,270)**
Net revenues	**180,184**	**130,541**	**310,725**	**168,604**	**99,395**	**267,999**
EBIT	7,187	1,289	**8,476**	3,473	1,010	**4,483**
Operating income	7,187	1,289	**8,476**	(2,915)	1,010	**(1,905)**
Net cash flow from operating activities	1,772	9,786	**11,558**	6,755	(3,326)	**3,429**
Capital expenditure	4,390	3,810	**8,200**	8,092	2,519	**10,611**
Fixed assets	105,561	24,028	**129,589**	106,324	20,139	**126,463**
Headcount	3,652	6,924	10,576	3,203	6,249	9,452

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**	**Customer relations & other**	**TOTAL**
Gross:				
January 1, 2013	**60,641**	**9,206**	**503**	**70,350**
Acquisitions	-	658	-	658
Disposals	-	-	-	-
Change in consolidation	-	-	-	-
Exchange gains (losses)	-	(123)	-	(123)
Reclassification	-	-	-	-

June 30, 2013	**60,641**	**9,741**	**503**	**70,885**
Cumulative depreciation and impairment:				
January 1, 2013	**-**	**6,148**	**89**	**6,237**
Depreciation charge	-	682	18	700
Impairment	-	-	-	-
Disposals	-	2	-	2
Change in consolidation	-	-	-	-
Exchange gains (losses) and reclassification	-	(60)	-	(60)
June 30, 2013	**-**	**6,772**	**107**	**6,879**
Net:				
June 30, 2013	**60,641**	**2,969**	**396**	**64,006**

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, 2013, 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:					
January 1, 2013	**47,626**	**38,786**	**19,941**	**1,688**	**108,041**
Acquisitions	288	5,598	1,432	224	7,542
Disposals	(475)	(404)	(670)	-	(1,549)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	(112)	(477)	(307)	(5)	(901)
Reclassification	-	1,648	-	(1,648)	-
June 30, 2013	**47,327**	**45,151**	**20,396**	**259**	**113,133**
Cumulative depreciation and impairment:					
January 1, 2013	**12,166**	**19,193**	**10,721**	**-**	**42,080**
Depreciation charge	1,273	4,029	1,596	-	6,898
Impairment	-	-	-	-	-
Disposals	(64)	(266)	(743)	-	(1,073)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassification	(55)	(202)	(98)	-	(355)
June 30, 2013	**13,320**	**22,754**	**11,476**	**-**	**47,550**
Net:					
June 30, 2013	**34,007**	**22,397**	**8,920**	**259**	**65,583**

Note 3: Trade and other current receivables

	6/30/2013	12/31/2012
Trade receivables	105,060	95,359
Impairment provisions	(440)	(440)
Total trade receivables – net	**104,620**	**94,919**
Tax and social security receivables	19,554	15,655
Prepaid expenses	6,341	5,037
Total other receivables - net	**25,895**	**20,692**

Note 4: Net cash and cash equivalents

	6/30/2013	12/31/2012
Cash and cash equivalents	46,063	46,847
Bank overdrafts	(678)	(1,380)
Net cash and cash equivalents	**45,385**	**45,467**

Group cash and cash equivalents of €46,063,000 at June 30, 2013 comprise cash, sight bank deposits and money-market investments and term deposits amounting to €14,057,000.

Note 5: Issued capital stock and additional paid-in capital

	Additional paid-in capital (€)	Value (€)	Number of shares
January 1, 2013	**49,562,119**	**2,737,240**	**5,474,480**
June 30, 2013	**49,562,119**	**2,737,240**	**5,474,480**

The Group has a single class of shares of common stock that entitle stockholders to the same dividend.

Note 6: Financial liabilities

	6/30/2013	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Current borrowings				
Bank loans	107	107		
Finance leases	10,534	10,534		
Factoring	1,264	1,264		
Other borrowings	236	236		
Total current borrowings	**12,141**	**12,141**		
Non-current borrowings				

Bank loans	160		160	
Finance leases	38,227		26,579	11,648
Other borrowings	2,500		2,500	
Total non-current borrowings	**40,887**		**29,239**	**11,648**
Total borrowings	**53,028**	**12,141**	**29,239**	**11,648**

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	267	PLN	Variable
Factoring	1,264	EUR	Variable
Finance leases	1,638	BRL	Fixed
Finance leases	1,711	ARS	Fixed
Finance leases	273	PLN	Fixed
Finance leases	19,699	EUR	Fixed
Finance leases	25,402	EUR	Variable
Finance leases	38	Other	Fixed
Other payables	149	MAD	Fixed
Other payables	2,587	EUR	Fixed
Total	**53,028**		

Note 7: Provisions

	Social security and tax risks	Operating risks	Staff benefits	Total
January 1, 2013	**5,547**	**3,428**	**1,893**	**10,868**
Charges	738	720	137	1,595
Write-backs used	(835)	(781)		(1,616)
Write-backs not used	(263)	-		(263)
Other changes	(77)	(6)		(83)
June 30, 2013	**5,110**	**3,361**	**2,030**	**10,501**
Of which current provisions	5,110	3,361	-	8,471
Of which non-current provisions	-	-	2,030	2,030

The provisions for operating risks primarily relate to disputes with customers, lessors etc.

6.2 Income statement notes

Note 8: Net financial items

	H1 2013	H1 2012
Interest and related income	526	535
Total financial income	**526**	**535**
Interest and related expenses	(2,140)	(1,818)
Fair value adjustments on financial instruments	150	(13)
Discounting of balance sheet accounts	(99)	(20)

Other financial expenses	(113)	(154)
Total financial expenses	**(2,202)**	**(2,005)**
Total	**(1,676)**	**(1,470)**

Interest and related expenses largely relate to bank loans, financial lease liabilities and bank overdrafts.

Note 9: Corporate income tax

	H1 2013	H1 2012
Net current tax (charge)/income	(985)	2,001
Tax on added value (CVAE)	(1,667)	(1,658)
Total	**(2,652)**	**343**

Note 10: Earnings per share

The average number of shares during the period was as follows:

(no.)	H1 2013	H1 2012
Average number of shares in issue	5,474,480	4,468,809
Average number of treasury shares	(6,885)	(3,464)
Average number of shares	**5,467,595**	**4,465,345**
Equity warrants	311,040	311,040
Average number of diluted shares	**5,778,635**	**4,776,385**

6.3 Other information

Note 11: Change in working capital

	6/30/2013	6/30/2012
Inventories	(4)	(3)
Trade receivables	(11,577)	(6,505)
Trade payables	7,270	4,678
Change in operating working capital	**(4,311)**	**(1,830)**
Other receivables	(5,643)	(3,670)
Other payables	8,958	5,116
Change in non-operating working capital	**3,315**	**1,446**
Change in working capital	**(996)**	**(384)**

Note 12: Transactions with related parties

Transactions conducted between the Group and affiliated companies on an arm's length basis were as follows:

Company	Type of relationship	Transaction type	Income (expense)		Balance sheet asset or (liability)	
			6/30/2013	6/30/2012	6/30/2013	6/30/2012
Comète	Joint director	Services provided	(180)	(180)	(290)	(262)
Immod	Joint shareholder	Services provided	-	-	-	10
Les Parcs du Lubéron 1	Joint director	Services provided	-	1	-	-
Financière ID	Joint shareholder	Services provided	176	178	210	-
SCI Financière ID Brebières II	Joint shareholder	Real estate lease	(783)	-	452	-
SCI Financière ID Genlis	Joint shareholder	Real estate lease	(126)			
SAS Logistics II	Joint shareholder	Real estate lease	(36)			

Transactions with equity affiliates, which are concluded on an arm's length basis, 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 members

	H1 2013	H1 2012
Expense type		
Total gross remuneration	215	295
Post-retirement benefits	-	-
Other long-term benefits	-	-
One-time retirement compensation	-	-

Note 14: Commitments and contingencies

The Group's signed commitments at the balance sheet date were as follows:

	6/30/2013	12/31/2012
Commitments given		
Real estate leases	100,027	51,434
Plant and equipment leases	33,723	20,210
Parent company guarantees on behalf of subsidiaries	16,212	7,255
Individual training entitlements (“DIF”), no. of hours	259,776	246,760
Bank guarantees	13,104	13,940

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
June 30, 2013				
Real estate leases	29,987	52,827	17,213	100,027
Plant and equipment leases	13,485	20,186	52	33,723

At June 30, 2013, undrawn lines of credit amounted to €13,081,000 in respect of finance leases and €11,753,000 in respect of credit facilities.

Note 15: Post balance sheet events

On July 22, 2013, the Group completed the acquisition of CEPL following the June 13, 2013 memorandum of understanding, as specified in the highlights for the half year. In conjunction with this acquisition, ID Logistics Group carried out a capital increase by issuing 108,401 new ID Logistics Group shares, each with a par value of €0.50 together with a premium on issue of €36.40, amounting in total to €3,999,996.90, while also taking out a €75 million loan. Transaction costs for the June 30, 2013 CEPL acquisition amounting to €1,146,000 were recorded as prepaid expenses. The purchase price allocation is currently being prepared and the IFRS 3R disclosures will be provided at December 31, 2013.

4 STATUTORY AUDITORS' REPORT

"To the Shareholders,

Pursuant to our engagement by the shareholders' general meeting and to Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the condensed consolidated financial statements of ID LOGISTICS GROUP covering the period from January 1 to June 30, 2013, as enclosed hereto,
- verified the information given in the half-year business report.

The half-year condensed consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our responsibility is to express our opinion on these financial statements on the basis of our limited review.

- Opinion on the financial statements

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 under a limited review that the financial statements, taken as a whole, are free from material misstatement is moderate and 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 condensed consolidated half-year financial statements have not been prepared in accordance with IAS 34 – Interim Financial Reporting, as included in the IFRS standards adopted by the European Union.

- Specific testing

We have also verified the information provided in the half-year business report commenting on the condensed consolidated half-year financial statements on which we performed our limited review.

We have no comments on the report's fairness and its consistency with the condensed consolidated half year financial statements.

Paris and Neuilly-sur-Seine, August 28, 2013
The Statutory Auditors
Philippe Joubert Deloitte & Associés
Represented by
Albert Aidan"