Half-year financial report

June 30, 2016

ID LOGISTICS GROUP
A French corporation (*société anonyme*) with capital stock of €2,793,940.50
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 summary consolidated financial statements for the six months ended June 30, 2016 were prepared in accordance with 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, September 5, 2016

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 summary consolidated financial statements for the six months ended June 30, 2016 as set out in Chapter 3 "Summary 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%.

In addition to the financial indicators directly mentioned in the financial statements, the Group uses alternative performance indicators :

- EBITDA : Underlying operating income before net additions to depreciation of property, plant and equipment and amortization of intangible assets
- Net debt : Gross debt plus bank overdrafts and minus cash and cash equivalents
- Gearing : Ratio of net debt to consolidated group equity

2.1 First half highlights

No major events or significant changes in consolidation scope took place during the first half of 2016.

2.2 Consolidated income statement

€m	H1 2016	H1 2015
Revenues	460.9	442.1
Purchases and external charges	(240.5)	(223.7)
Staff costs	(194.9)	(184.8)
Miscellaneous taxes	(6.9)	(7.8)
Other underlying income (expenses)	0.4	(0.1)
Net (increases) write-backs to provisions	5.8	0.6
Net depreciation/impairment	(10.5)	(12.0)
EBIT before amortization of acquired customer relations	14.5	14.3
Amortization of acquired customer relations	(0.3)	(0.3)
Non-recurring expenses	-	-
Operating income	14.2	14.0
Net financial items	(2.8)	(3.2)
Corporate income tax	(4.8)	(4.6)
Share of earnings of equity affiliates	(0.0)	0.3
Total consolidated net income	6.5	6.5
Of which minority interests	0.4	0.5
Of which Group share	6.1	6.0

First half 2016 consolidated revenues came in at €460.9 million, up 4.3% on first half 2015. At constant exchange rates (like-for-like), revenues rose by 10.1%. Revenues break down as follows:

€m	H1 2016	H1 2015
France	277.6	248.2
International	183.3	193.9
Total revenues	460.9	442.1

In France, revenues amounted to €277.6 million, up 11.8% over H1 2015. These results were primarily driven by the large volume of new business in 2016 as well as the increase in volumes sold under existing contracts.

International revenues fell by 5.4% to €183.3 million over the same period. Like-for-like growth, adjusted for an adverse exchange rate impact, came to 7.6%. Growth was boosted by South Africa, which completed the roll-out of its local chilled products chain during Q2 2015, and the gradual ramp-up of new contracts signed in the other countries since the start of 2016.

First half 2016 purchases and external charges amounted to €240.5 million, up from €223.7 million in first half 2015. Purchases and external charges as a percentage of revenues increased from 50.6% to 52.2%, mainly due to increased use of temporary staff in connection with new contract start-ups, non-recurring expenses covered by provision write-backs, as explained below, and rent paid on warehouses that belonged to the Group until their sale in late 2015.

First half 2016 staff costs amounted to €194.9 million, compared to €184.8 million in first half 2015. As a percentage of revenues, staff costs increased from 41.8% to 42.3%. A number of expenses related to disputes were incurred during first half 2016. These expenses were covered by provision write-backs, as explained below. Adjusted for these amounts, the increase in staff costs is in line with revenue growth.

Miscellaneous taxes decreased slightly, accounting for 1.5% of H1 2016 revenues versus 1.8% in H1 2015.

As in first half 2015, other income and expenses were close to zero for the first half of 2016.

Net provision write-backs mainly correspond to expenses recognized under purchases and external charges or staff costs.

First half 2016 depreciation amounted to 2.3% of revenues, compared to 2.7% in first half 2015. This decrease is due to the reduction in operating capital expenditure over the last few years and the late 2015 sale and leaseback of three warehouses.

The table below shows the impact of these changes on EBIT margins before amortization of customer relations:

€m	H1 2016	H1 2015
France	14.6	12.4
EBIT margin (% revenues)	*5.3%*	*5.0%*
International	(0.2)	1.9
EBIT margin (% revenues)	*-0.1%*	*1.0%*
Total	14.5	14.3
EBIT margin (% revenues)	*3.1%*	*3.2%*

First half 2016 EBIT before amortization of customer relations amounted to €14.5 million generating an EBIT margin of 3.1%, slightly down from first half 2015. The France EBIT margin was boosted by tight control of new site start-up costs during the period. The fall in the international EBIT margin was due to the launch of new contracts with strategic customers, including in Germany and the Netherlands, and the start of operations in Belgium.

Net financial expenses decreased from €3.2 million in H1 2015 to €2.8 million in H1 2016. Net cost of debt fell from €2.7 million in H1 2015 to €2.3 million, mainly due to scheduled and early repayments of the bank loan taken out in July 2013 to fund the CEPL acquisition, but also to the termination of the finance leases on the warehouses sold in late 2015, as mentioned above. Other financial items, largely comprising a net expense on interest rate hedges and a discounting expense (primarily related to pension liabilities), amounted to €0.5 million, stable compared to H1 2015.

Corporate income tax includes the French "CVAE" tax on business value added amounting to €2.4 million in H1 2016, close to the H1 2015 charge of €2.3 million. Excluding CVAE, the first half 2016 corporate income tax charge amounted to €2.4 million based on the Group's effective tax rate of 27%, identical to the effective rate applied to first half 2015.

Group share of earnings of equity affiliates was close to break-even, compared to income of €0.3 million in H1 2015.

Following the above items, first half 2016 consolidated net income amounted to €6.5 million, similar to first half 2015 net income.

2.3 Consolidated cash flow statement

€m	H1 2016	H1 2015
Net income	6.5	6.5
Net depreciation, impairment and provisions	5.5	13.8
Capital gains and losses on sale of assets	(0.1)	0.1
Tax charge net of tax paid	2.5	0.4
Net financial costs from financing activities	2.3	2.7
Fair value adjustments on financial instruments	(0.2)	(0.1)
Share of undistributed earnings of equity affiliates	(0.0)	(0.3)
Change in working capital	(24.2)	(9.9)
Net cash flow from operating activities	(7.7)	13.2
Net cash flow from investing activities	(6.8)	(7.6)
Net borrowings taken out (repaid)	(14.3)	(30.8)
Net financial costs from financing activities	(2.3)	(2.7)
Treasury stock transactions	0.1	(0.5)
Share issue	0.1	-
Minority interest dividends	-	(0.1)
Net cash flow from financing activities	(16.3)	(34.1)
Exchange gains (losses)	0.1	0.4
Change in net cash and cash equivalents	(30.7)	(28.1)
Opening net cash and cash equivalents	69.7	80.3
Closing net cash and cash equivalents	39.0	52.2

Net cash flow from operating activities

First half 2016 net cash flow from operating activities amounted to a €7.7 million outflow compared to a €13.2 million inflow in H1 2015.

- Before changes in working capital, first half 2016 cash flow from operating activities amounted to €16.5 million, compared to €23.1 million in first half 2015. This decrease is in line with the change in operating income before depreciation/amortization.
- The first half 2016 change in working capital represented a €24.2 million cash outflow compared to a €9.9 million cash outflow in H1 2015.
    - Operating working capital (i.e. inventories, trade receivables and payables) was positive and increased by €35.2 million over first half 2016, compared to a €12.5 million increase in H1 2015. In terms of days sales, operating working capital increased from 10 days at June 30, 2015 to 17 days at June 30, 2016, mainly because the average customer payment period was 7 days longer than in H1 2015. This was due to poorly managed collection of receivables in France during first half 2016, the impact of which was absorbed over the first few days of July 2016.
    - Non-operating working capital (other receivables, other payables and tax and social security payables) was negative and increased by €11.0 million during first half 2016, compared to a €2.5 million increase in H1 2015. In terms of days sales, as of June 30, 2016 non-operating working capital was stable at 37 days compared to 35 days as of June 30, 2015.

Net cash flow from investing activities

First half 2016 net cash flow from investing activities amounted to a €6.8 million outflow, down from €7.6 million in H1 2015, broken down as follows:

- H1 2016 capital expenditure of €13.5 million, compared to €11.5 million in H1 2015;
- disposals amounting to €6.7 million compared to €3.8 million in H1 2015, mainly involving the sale of equipment, return of materials to suppliers and repayment of deposits.

Net cash flow from financing activities

Total first half 2016 net cash flow from financing activities represented a €16.3 million outflow compared to a €34.1 million outflow in first half 2015.

- Net repayments of borrowings decreased from €35.6 million in H1 2015 to €27.7 million, mainly in relation to a further penalty-free €4.5 million early repayment of the CEPL acquisition loan in H1 2016 compared to the €7.6 million early repayment made in H1 2015, in addition to the €12.5 million scheduled annual installment paid in February, and the termination of the finance leases on the warehouses sold late 2015.
- In line with these net repayments, net financial expenses fell from €2.7 million in first half 2015 to €2.3 million.
- Treasury stock transactions were undertaken in conjunction with the Group's liquidity contract, while share issues resulted from the exercise of equity warrants and similar instruments.

After all of these factors and exchange gains and losses, Group net cash decreased by €30.7 million to €39.0 million during the first half of 2016, whereas in H1 2015 cash had decreased by €28.1 million.

2.4 Consolidated balance sheet

€m	6/30/2016	12/31/2015
Non-current assets	235.2	241.4
Trade receivables	173.0	147.3
Trade payables	(119.6)	(130.4)
Tax and social security payables	(127.4)	(118.9)
Other net receivables (payables) and provisions	7.6	5.8
Working capital	(66.4)	(96.2)
Net borrowings	30.9	14.5
Shareholders' equity, Group share	131.1	124.3
Minority interests	6.9	6.3
Shareholders' equity	137.9	130.7

Non-current assets fell slightly compared to December 31, 2015 given that depreciation/amortization charges exceeded capital expenditure during the period.

The Group posted negative net working capital of €66.4 million as of June 30, 2016, down €29.8 million on December 31, 2015. Working capital represented 29 days sales as of June 30, 2016, down from 38 days as of December 31, 2015 mainly due to the deferral of receivables collected in early July 2016.

Group borrowings changed as follows over the period:

(€m)	6/30/2016	12/31/2015
Bank loans	34.3	44.2
Real estate leases	18.7	20.5
Asset finance leases	12.1	16.5
Other borrowings	4.8	3.0
Gross borrowings	69.9	84.2
Net cash and cash equivalents	39.0	69.7
Net borrowings	30.9	14.5

In conjunction with the CEPL acquisition, in July 2013 the Group took out a bank loan initially amounting to €75.0 million repayable over six years. As of June 30, 2016, the principal outstanding amounted to €25.4 million after the €12.5 million annual installment and early repayments totaling €12.1 million.

The loan is subject to compliance with certain financial ratios, calculated on an annual basis. The ratios applicable to fiscal 2016 and 2015 are as follows:

Ratio	Definition	2016 limit	2015 limit

Gearing	Borrowings over consolidated equity	< 1.3	< 1.5
Leverage	Net borrowings over underlying EBITDA	< 1.75	< 1.8
Debt coverage	Cash flow before repayment of debt and interest/Repayment of debt and interest	> 1.0	> 1.0
Capital expenditure	Capital expenditure during the year	< €29 million	< €35 million

As of December 31, 2015 all ratios were in compliance. At the present time there is no reason to doubt the Group's ability to comply with the ratios applicable to fiscal 2016.

As of June 30, 2016, finance leases included €18.7 million of real estate leases on warehouses. The other leases principally comprise finance leases on warehouse plant and equipment (including fork-lift trucks, information systems, surveillance and access control and other equipment).

As of June 30, 2016, almost all of the Group's borrowings (in the form of bank loans or finance leases) are taken out by French legal entities. After interest rate hedges, about 20% of the Group's borrowings are subject to floating interest rates.

Shareholders' equity increased from €130.7 million to €137.9 million, boosted by net income of €6.5 million partly offset by adverse currency movements and treasury stock transactions under the liquidity contract.

2.5 Recent developments and outlook

- Post balance sheet events
  On June 27, 2016, the Group signed a memorandum of understanding to acquire Logiters, a leading contract logistics operator in Spain and Portugal. Logiters manages more than 50 warehouses equivalent to around 750,000 m², employs 3,300 people and generates annual revenues of around €250 million. After receiving the approval of the Spanish competition authority, the acquisition was closed on August 23, 2016.

- Seasonal factors
  Although Group revenues are not subject to major seasonal fluctuations, 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.
  However, first half revenues 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.

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 28, 2016 have not materially changed at June 30, 2016.

3 SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	H1 2016	H1 2015
Revenues		**460,945**	**442,081**
Purchases and external charges		(240,526)	(223,663)
Staff costs		(194,883)	(184,836)
Miscellaneous taxes		(6,890)	(7,795)
Other underlying income (expenses)		449	(49)
Net depreciation/impairment		(10,477)	(12,021)
Net (increases) write-backs to provisions		5,840	575
EBIT before amortization of customer relations		**14,458**	**14,292**
Amortization of acquired customer relations		(269)	(269)
Non-recurring expenses		-	-
Operating income		**14,189**	**14,023**
Financial income	Note 9	976	604
Financial expenses	Note 9	(3,821)	(3,801)
Group income before tax		**11,344**	**10,826**
Corporate income tax	Note 10	(4,787)	(4,596)
Share of earnings of equity affiliates		(48)	294
Total consolidated net income		**6,509**	**6,524**
Of which minority interests		446	474
Of which Group share		6,063	6,050
Earnings per share, Group share			
Basic EPS (€)	Note 11	1.09	1.08
Diluted EPS (€)	Note 11	1.02	1.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€000)	H1 2016	H1 2015
Total consolidated net income	**6,509**	**6,524**
Post-tax exchange differences	423	(49)
Other comprehensive income not reclassified to the income statement	**423**	**(49)**
Post-tax pension provision discounting income/(charge)	25	354
Other post-tax items	49	258
Other comprehensive income that may be reclassified to the income statement, net of tax	**74**	**612**
Comprehensive net income	**7,006**	**7,087**
Of which minority interests	526	585
Of which Group share	6,479	6,503

CONSOLIDATED BALANCE SHEET

(€000)	Notes	6/30/2016	12/31/2015
Goodwill	Note 1	116,971	116,971
Intangible assets	Note 1	7,577	7,536
Property, plant and equipment	Note 2	93,052	98,125
Investment in equity affiliates		1,481	1,432
Other non-current financial assets		7,443	8,374
Deferred tax assets		8,673	8,947
Non-current assets		**235,197**	**241,385**
Inventories		20	20
Trade receivables	Note 3	172,953	147,292
Other receivables	Note 3	47,404	45,092
Other current financial assets		5,670	8,842
Cash and cash equivalents	Note 4	39,055	69,783
Current assets		**265,102**	**271,029**
Total assets		**500,299**	**512,414**
Capital stock	Note 5	2,794	2,793
Additional paid-in capital	Note 5	53,704	53,569
Exchange differences		(7,371)	(7,751)
Consolidated reserves		75,901	54,442
Net income for the year		6,063	21,284
Shareholders' equity, Group share		**131,091**	**124,337**
Minority interests		6,853	6,328
Shareholders’ equity		**137,944**	**130,665**
Borrowings (due in over 1 yr)	Note 6	39,273	55,161
Long-term provisions	Note 7	18,332	17,688
Deferred tax liabilities		618	3,535
Non-current liabilities		**58,223**	**76,384**
Short-term provisions	Note 7	10,524	18,517
Borrowings (due in less than 1 yr)	Note 6	30,319	28,524
Other current financial liabilities		329	520
Bank overdrafts	Note 4	40	55
Trade payables	Note 8	119,649	130,429
Other payables	Note 8	143,271	127,320
Current liabilities		**304,132**	**305,365**
Total liabilities and shareholders’ equity		**500,299**	**512,414**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	**Note**	**H1 2016**	**H1 2015**
Net income		6,509	6,524
Net depreciation, impairment and provisions		5,534	13,769
Fair value adjustments on financial instruments		(191)	(107)
Share of undistributed earnings of equity affiliates		(49)	(294)
Capital gains or losses on the sale of fixed assets		(108)	135
Change in working capital	Note 12	(24,238)	(9,956)
Net cash flows from operating activities after net cost of debt and tax		**(12,543)**	**10,071**
Corporate income tax	Note 10	4,787	4,596
Net financial expenses on financing activities	Note 9	2,311	2,723
Net cash flows from operating activities before net cost of debt and tax		**(5,445)**	**17,390**
Tax paid		(2,292)	(4,154)
Net cash flow from operating activities		**(7,737)**	**13,236**
Purchase of intangible assets and PP&E	Notes 1-2	(12,460)	(10,378)
Purchase of financial assets		(887)	(1,208)
Fixed asset payables		(190)	135
Sale of intangible assets and PP&E		5,501	3,350
Sale of financial assets		1,229	478
Net cash flow from investing activities		**(6,807)**	**(7,623)**
Net financial costs from financing activities	Note 9	(2,311)	(2,723)
Loans received		13,409	4,775
Loan repayments		(27,686)	(35,604)
Treasury stock transactions		137	(460)
Minority interest dividends		-	(88)
Share issue		137	-
Net cash flow from financing activities		**(16,314)**	**(34,100)**
Exchange gains (losses)		145	383
Change in net cash and cash equivalents		**(30,713)**	**(28,104)**
Opening net cash and cash equivalents	Note 4	69,728	80,331
Closing net cash and cash equivalents	Note 4	39,015	52,227

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, 2015	**2,791**	**53,365**	**50,667**	**(3,940)**	**102,883**	**5,082**	**107,965**
H1 2015 net income	-	-	6,050	-	6,050	474	6,524
Gains and losses posted to shareholders' equity	-	-	593	(228)	365	198	563
Treasury shares	-	-	(460)	-	(460)	-	(460)
Distribution of dividends	-	-	-	-	-	(88)	(88)
June 30, 2015	**2,791**	**53,365**	**56,850**	**(4,168)**	**108,838**	**5,666**	**114,504**
H2 2015 net income	-	-	15,234	-	15,234	1,692	16,926
Gains and losses posted to shareholders' equity	-	-	3,201	(3,583)	(382)	(762)	(1,144)
Distribution of dividends	-	-	-	-	-	(268)	(268)
Treasury shares	-	-	441	-	441	-	441
Share issue	2	204	-	-	206	-	206
December 31, 2015	**2,793**	**53,569**	**75,726**	**(7,751)**	**124,337**	**6,328**	**130,665**
H1 2016 net income	-	-	6,063	-	6,063	446	6,509
Gains and losses posted to shareholders' equity	-	-	38	380	418	79	497
Treasury shares	-	-	137	-	137		137
Distribution of dividends	-	-	-	-	-	-	-
Share issue	1	135	-	-	136	-	136
June 30, 2016	**2,794**	**53,704**	**81,964**	**(7,371)**	**131,091**	**6,853**	**137,944**

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") operate a logistics business in France and around ten other countries.

The Group consolidated financial statements for the six months ended June 30, 2016 were approved by the Board of Directors on August 31, 2016. Unless otherwise indicated, they are presented in thousands of euros.

There were no major seasonal fluctuations in revenues during the period ended June 30, 2016.

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 summary consolidated interim financial statements for the six months ended June 30, 2016 were prepared in accordance with IAS 34 – Interim financial reporting. Since these financial statements are summary, they do not contain all disclosures required under IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2015 available online at id-logistics.com.

The accounting principles adopted for the preparation of the summary consolidated interim financial statements comply with the IFRS standards and interpretations adopted by the European Union as of June 30, 2016, which may be viewed on the website:
http://ec.europa.eu/finance/company-reporting/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, 2015, which are presented in Note 2 to the 2015 consolidated financial statements, except for the items presented in paragraph 2.2 below – Change in accounting principles.

The valuation methods specific to the summary 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 2016

The following standards, amendments and interpretations, which are compulsory as of January 1, 2016, have no material impact on the financial statements:

- Amendment to IAS 1
- Amendments to IAS 16 and 38 – Clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 19 – Defined benefit plans: employee contributions

2.2.2 New standards, amendments and interpretations adopted by the European Union and compulsory for fiscal years beginning 2017

The Group has not applied in advance the following standards and amendments:

- Amendments to IFRS 2 – Classification and measurement of share based payment transactions, applicable from January 1, 2018
- IFRS 9 – Financial instruments, applicable from January 1, 2018
- IFRS 15 – Revenue from contracts with customers, applicable from January 1, 2018
- IFRS 16 – Leases, applicable from January 1, 2019

3 Highlights

No changes in consolidation took place during the first half of 2016.

On June 27, 2016, the Group signed a memorandum of understanding to acquire Logiters, the No. 1 contract logistics operator in Spain and Portugal. Logiters manages more than 50 warehouses equivalent to around 750,000 m², employs 3,300 people and posted revenues of €250 million in 2015.

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 on 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 operational decision-maker in order 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, Brazil, China, Germany, Spain, Réunion, Indonesia, Morocco, the Netherlands, Poland, Russia, South Africa 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 2016			H1 2015		
	France	**International**	**Total**	**France**	**International**	**Total**
Revenues	279,510	184,486	**463,996**	250,896	193,982	**444,878**
Inter-segment revenues	(1,874)	(1,177)	**(3,051)**	(2,678)	(119)	**(2,797)**
Net revenues	**277,636**	**183,309**	**460,945**	**248,218**	**193,863**	**442,081**
EBIT before amortization of customer relations	14,644	(186)	**14,458**	12,356	1,936	**14,292**
Operating income	14,375	(186)	**14,189**	12,086	1,937	**14,023**
Net cash flow from operating activities	(35,649)	27,912	**(7,737)**	13,629	(393)	**13,236**
Capital expenditure	3,838	8,622	**12,460**	4,418	5,961	**10,379**
Fixed assets	158,409	59,191	**217,600**	190,043	61,479	**251,522**
Headcount	5,234	8,734	**13,968**	4,992	8,588	**13,580**

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, 2016	**116,971**	**12,415**	**5,651**	**135,037**
Acquisitions	-	979	-	979
Disposals	-	(405)	-	(405)
Other (reclassification, changes in consolidation etc.)	-	377	-	377
Exchange gains (losses)	-	383	(2)	381
June 30, 2016	**116,971**	**13,749**	**5,649**	**136,369**
Cumulative amortization and impairment:	-			
January 1, 2016	**-**	**9,299**	**1,231**	**10,530**
Amortization charge	-	1,178	291	1,469
Impairment	-	-	-	-
Disposals	-	(401)	-	(401)
Other (reclassification, changes in consolidation etc.)	-	(8)	-	(8)
Exchange gains (losses)	-	233	(2)	231
June 30, 2016	**-**	**10,301**	**1,520**	**11,821**
Net:				
June 30, 2016	**116,971**	**3,448**	**4,129**	**124,548**

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 environment 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, 2016, 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, 2016	**77,982**	**52,565**	**28,438**	**7,917**	**166,902**
Acquisitions	930	2,301	4,271	3,979	11,481
Disposals	(6,656)	(1,829)	(6,297)	(72)	(14,854)
Change in consolidation	-	-	-	-	-
Exchange gains (losses)	843	(141)	630	60	1,392
Reclassification	375	(2,246)	3,932	(2,522)	(461)
June 30, 2016	**73,474**	**50,650**	**30,974**	**9,362**	**164,460**
Cumulative depreciation and impairment:					
January 1, 2016	**19,164**	**31,851**	**17,752**	**10**	**68,777**
Depreciation charge	2,617	4,243	2,477	-	9,337
Impairment	-	-	-	-	-
Disposals	(1,287)	(1,600)	(4,315)	-	(7,202)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassification	275	(2,418)	2,639	-	496
June 30, 2016	**20,769**	**32,076**	**18,553**	**10**	**71,408**
Net:					
June 30, 2016	**52,705**	**18,574**	**12,421**	**9,352**	**93,052**

Note 3: Trade and other current receivables

	6/30/2016	12/31/2015
Trade receivables	174,606	148,532
Impairment provisions	(1,653)	(1,240)
Total trade receivables – net	**172,953**	**147,292**
Tax and social security receivables	40,437	37,815
Prepaid expenses	6,967	7,277
Total other receivables - net	**47,404**	**45,092**

Note 4: Net cash and cash equivalents

	6/30/2016	12/31/2015
Cash and cash equivalents	39,055	69,783
Bank overdrafts	(40)	(55)
Net cash and cash equivalents	**39,015**	**69,728**

Group cash and cash equivalents of €39,055,000 at June 30, 2016 comprise cash, sight bank deposits and €4,934,000 in money-market investments.

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

		Additional paid-in capital (€)	Value (€)	Number of shares
January 1, 2016		**53,568,845**	**2,792,941**	**5,585,881**
	Exercise of founders' warrants	135,980	1,000	2,000
June 30, 2016		**53,704,825**	**2,793,941**	**5,587,881**

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

Note 6: Financial liabilities

	6/30/2016	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Current borrowings				
Bank loans	16,440	16,440		
Finance leases	9,426	9,426		
Factoring	4,141	4,141		
Other borrowings	312	312		
Total current borrowings	**30,319**	**30,319**		
Non-current borrowings				
Bank loans	17,859		17,859	
Finance leases	21,414		19,178	2,236
Total non-current borrowings	**39,273**		**37,037**	**2,236**
Total borrowings	**69,592**	**30,319**	**37,037**	**2,236**

Breakdown of borrowings by interest rate and by currency	Amount	Currency	Rate
Loan	27,058	EUR	Floating
Loan	996	CNY	Floating
Loan	782	PLN	Floating
Loan	5,463	BRL	Floating
Factoring	4,141	EUR	Floating
Finance leases	1,560	BRL	Fixed
Finance leases	352	ARS	Fixed
Finance leases	1,316	PLN	Fixed
Finance leases	79	ZAR	Fixed
Finance leases	8,808	EUR	Fixed
Finance leases	18,725	EUR	Floating
Other payables	312	EUR	Fixed
Total	**69,592**		

Note 7: Provisions

	Social security and tax risks	Operating risks	Employee benefits	Total
January 1, 2016	**12,608**	**5,909**	**17,688**	**36,205**
Charges	1,157	780	458	2,395
Write-backs used	(6,486)	(2,975)	(144)	(9,605)
Write-backs not used	(330)	(267)	-	(597)
Other (consolidation, currency, reclassification etc.)	122	6	330	458
June 30, 2016	**7,071**	**3,453**	**18,332**	**28,856**

Of which current provisions	7,071	3,453	-	10,524
Of which non-current provisions	-	-	18,332	18,332

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

Note 8: Trade and other payables

	6/30/2016	12/31/2015
Trade payables	**119,649**	**130,429**
Tax and social security payables	127,407	118,938
Advances and payments on account received	5,315	2,272
Other current payables	7,827	2,849
Deferred income	2,722	3,261
Total other payables	**143,271**	**127,320**

Trade and other payables all fall due in less than one year except for some deferred income which is amortized over the term of the customer contracts.

6.2 Income statement notes

Note 9: Net financial items

	H1 2016	H1 2015
Interest and related income	622	496
Interest and related financial expenses	(2,934)	(3,219)
Net financial expenses on financing activities	**(2,312)**	**(2,723)**
Fair value adjustments on financial instruments	95	107
Discounting of balance sheet accounts	(196)	(137)
Other financial expenses	(432)	(444)
Net other financial expenses	**(533)**	**(474)**
Total	**(2,845)**	**(3,197)**

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

Note 10: Corporate income tax

	H1 2016	H1 2015
Net current tax (charge)/income	(2,377)	(2,247)
Tax on business value added (CVAE)	(2,410)	(2,349)
Total	**(4,787)**	**(4,596)**

Note 11: Earnings per share

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

(no.)	H1 2016	H1 2015
Average number of shares in issue	5,586,131	5,585,881
Average number of treasury shares	(9,403)	(5,886)
Average number of shares	**5,576,728**	**5,579,995**
Founders' warrants	35,000	40,000
Equity warrants	329,131	328,040
Average number of diluted shares	**5,940,859**	**5,948,035**

6.3 Other information

Note 12: Change in working capital

	H1 2016	H1 2015
Change in inventories	-	7
Change in trade receivables	(24,514)	(4,331)
Change in trade payables	(10,714)	(8,142)
Change in operating working capital	**(35,228)**	**(12,466)**
Change in other receivables	1,747	(3,697)
Change in other payables	9,243	6,207
Change in non-operating working capital	**10,990**	**2,510**
Change in working capital	**(24,238)**	**(9,956)**

Note 13: 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)	
			H1 2016	H1 2015	6/30/2016	6/30/2015
Comète	Joint director	Services provided	(225)	(225)	(358)	(343)
Financière ID	Joint shareholder	Services provided	128	347	128	347

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 14: 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 business development.

The amounts of the aforementioned services are specified under Note 13.

Gross remuneration of other Board members

	H1 2016	H1 2015
Expense type		
Total gross remuneration	339	257
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance pay	-	-

Note 15: Commitments and contingencies

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

	6/30/2016	12/31/2015

Commitments given		
Real estate leases	189,126	198,143
Plant and equipment leases	47,134	36,399
Parent company guarantees *	351	851
Borrowings subject to covenants	25,400	42,431
Commitments received		
Bank guarantees	18,594	17,699

** The parent company guarantees above do not include guarantees given for leasing commitments or for debt with covenants, which are described on the corresponding lines.*

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, 2016				
Real estate leases	58,300	117,036	13,790	189,126
Plant and equipment leases	19,426	27,571	137	47,134

In order to raise €75 million of funds for the CEPL acquisition, the Group pledged the following assets to the initial lenders:

- Ficopar shares held by ID Logistics Group
- ID Logistics shares held by Ficopar
- ID Logistics France shares held by ID Logistics
- Compagnie Financière de Logistique shares held by ID Logistics
- ID Logistics business goodwill (including the ID Logistics brand)

At June 30, 2016, undrawn lines of credit amounted to €8,975,000 in respect of finance leases and €14 million in respect of credit facilities.

Note 16: Post balance sheet events

On August 23, 2016, the Group completed the acquisition of Logiters following the June 27, 2016 memorandum of understanding, as specified in the highlights for the half year. To finance this acquisition, ID Logistics Group took out a €112 million loan subject to covenants and repaid in advance the entire principal outstanding on the CEPL acquisition debt.
The purchase price allocation is currently being prepared and the IFRS 3R disclosures will be provided at December 31, 2016.

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 summary consolidated financial statements of ID LOGISTICS GROUP covering the period from January 1 to June 30, 2016, as enclosed hereto, and
- verified the information provided in the half-year business report.

The summary consolidated interim 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.

I – Opinion on the financial statements

We have conducted our limited review in accordance with 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 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 under a full audit scope.

On the basis of our limited review, we did not identify any material misstatements that cause us to believe that the summary consolidated interim 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.

II – Specific testing

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

We have no comments on the report's fairness and its consistency with the summary consolidated interim financial statements.

Paris and Neuilly-sur-Seine, September 5, 2016

The Statutory Auditors

CFG Audit	Deloitte & Associés
Philippe Joubert	Albert Aidan"