2016 ANNUAL REPORT

AIR & SEA FREIGHT FORWARDING AND OVERSEAS LOGISTICS - 5 CONTINENTS • 20 COUNTRIES • 62 OFFICES

CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS

Claire and Susana,
CLASQUIN Barcelona

Contents

Introduction

“Big enough to do the job, small enough to do it better”. This is the motto of the CLASQUIN group, the only multinational medium-sized enterprise in International Freight Management and Overseas Logistics.

In 1984, CLASQUIN made the choice to invest in its own offices. The Company has developed its added value through a truly integrated international network.

This fundamental choice means that CLASQUIN can today offer an international network that meets the expectations of its clients. The Company thus offers a comprehensive platform of high value added services in the global management of the overseas supply chain: the design of customised transport and logistics solutions and the selection and coordination of a network of the very best sub-contracting partners.

A stable management team surrounding Yves REVOL, Chairman & CEO of the Company since 1983, has forged a deep-rooted and UNIQUE management vision within the Group ”Clients, Profit & Fun”, a vision centred on entrepreneurial culture, client focus, operational excellence and collective performance.

Driven by the commitment of its 716 employees in its 62 offices, the CLASQUIN group achieved its objectives in 2016 and consolidated its unique competitive position.

2016 was a year of remarkable transition marked by the continued search for acquisition opportunities, management restructuring of the German and Australian subsidiaries, the signing of the contract with WISETECH (CargoWise One) to replace its current TMS, the evolution in governance and the recruitment of new talent, the objective of which is to create the necessary conditions to ensure the sustainability of the Company and build the CLASQUIN of the future.

Review of an eventful year.

2016: a year of remarkable transition

Interview with the Chairman

What are your thoughts about the past year?

Depending on how you look at it, 2016 can be seen in a number of slightly different lights.

Firstly, business was strong, as shown by a number of indicators:
- Number of shipments: up 6%,
- Number of TEUS*: up 17.3%,
- Tons (airfreight): up 5.6%;

This is partly due (as regards the number of transactions) to the acquisition of LCI in 2015, but above all to our dynamic sales teams; once again, we outperformed the market in 2016.

Earnings, however, were weak (despite an increase of 3.4% in GP):
EBIT fell 22.4% to 5.2 million, due to both the fall in average margins per shipment (difficult economic situation) and the 6.6% increase in expenses, broken down as follows:
- Group Management and IT Architecture / 1.6%,
- Change in consolidation scope and forex impact / 1.8%,
- Network expansion and acquisitions / 1.8%,
- Reshuffling in Germany and Australia / 1.4%.

However, if we look at 2016 in terms of investments made, we see an absolutely exceptional year.
The most significant highlights are by far the renewal of our Executive Committee and the successful appointment of younger members:

- promotion of Hugues MORIN as Executive Vice-President,
- recruitment of Laurence ILHE as General Secretary, responsible for all Back Office functions (Finance, Legal, HR, Communication, IS/IT),
- recruitment of Quentin LACOSTE as COO, responsible for a large part of the international network (Germany, Northern Europe, South-East Asia, India, USA, Canada, Australia),
- and the recruitment of Laurent GUILLEN, our new CIO, and Paul MOMÈGE the future manager of our subsidiary LOG SYSTEM (SSII) (Philippe LE BIHAN who has been the manager for many years will retire at the beginning of 2018).

We now have a top level Management team, enabling us to look ahead to the future full of optimism and ambition. As a manager, this is obviously all very exciting.

Another major highlight of 2016 was the selection of a new transport management system «CargoWise One», to replace our current software, Aeolus, which was developed in-house. This choice is the result of almost two years of work, analysis of existing software, meetings, negotiations, etc. CargoWise One is an Australian software application which is today the world leader in its sector; it should allow us to standardise and streamline the operational management of the Group, improve productivity, facilitate acquisitions and the set-up of new operations and optimise client relations and connection with our entire eco-system. The integration of CargoWise into our application environment is being carried out by our subsidiary LOG SYSTEM. The roll-out of CargoWise across the entire Group began in April 2017 and is scheduled for completion by early 2019.

Lastly, 2016 also saw the recruitment of a number of new talents:

- new management teams in Germany and Australia, and many other talents too numerous to mention here.

For all of these reasons, 2016 was a year of remarkable transition despite a fall in earnings.

What are the other highlights of 2016?

In addition to the above, I would mention:

- the successful integration of LCI-CLASQUIN, a company specialising in the North African region that we acquired in May 2015; LCI-CLASQUIN witnessed growth of 8.6% (GP) in 2016,
- the acquisition of ART SHIPPING/Paris, a small company specialising in the transportation of fine art and of AWC, a small New York-based customs broker,
- the end-of-year opening of two new subsidiaries, CLASQUIN PORTUGAL and CLASQUIN CHILE, as well as an office in Bangalore,
- lastly, the creation of a "Supply-Chain Management" division managed by our former CIO, David CANARD-VOLLAND.

And what about the Group's long-term strategy?

CLASQUIN has been applying the same business model for the last 25 years, and has demonstrated its capacity for growth in the management of goods flows on East-West routes.
Our growth was underpinned by the steady opening of new offices in our three core regions: Europe, Asia and North America. For many years, we benefited from a high-growth market and at the same time continued to acquire market shares wherever we were present, resulting in double-digit growth up until 2008.
Today, the slowdown in global trade (the annual growth rate has sat between 1 and 2% for several years now) compels us to reconsider our priorities and to look for new growth drivers.

Specifically:

- we will prioritise trade with countries that we believe will become the most buoyant in terms of external trade over the coming years: India, South-East Asia (we are already present in all of these countries), Northern Africa and possibly Sub-Saharan Africa (we have started looking at whether we have the capacity to begin operating there),
- we are also interested in the Near and Middle East,
- finally, we wish to step up the development of our overseas logistics services (storage, order preparation, distribution, etc.) allowing exporters to optimise the management of their inventories and their overseas distribution. Of course, we will continue to consider acquisition opportunities.

Can you provide a snapshot of 2017?

As mentioned above, the growth outlook for global trade remains moderate (+/-2%). That said, we have what it takes to outperform the market.

I am also reasonably optimistic with regard to the roll-out of CargoWise; the software has already been implemented all over the world in several hundred companies, ranging from SMEs to... DHL. Our teams are extremely committed and have been ready for its roll-out for months now.

To conclude, I would like to thank all of our clients for their trust and loyalty, our fantastic teams for their commitment and professionalism, and our shareholders for their active support towards our development.

*TEUS : Twenty Equivalent Units.

History of double-digit growth

In 1983, Yves REVOL, then CLASQUIN Sales Director, led the takeover of the Company. CLASQUIN had just one office in Lyon at the time.

1983|89

CLASQUIN specialised in air freight engineering and expanded abroad. The Group proved to be a genuine forerunner, positioning itself in a niche market: exporting by air from France to Asia-Pacific.
This period was marked by the opening of an office in Paris (Roissy CDG) and nine sales offices in top Asia-Pacific hubs.

Within seven years, CLASQUIN became a leading air freight carrier on France/Asia-Pacific routes. 1986 saw the foundation of LOG SYSTEM, an IT subsidiary specialising in software design and development for the transport and overseas logistics industry.

SALES 1983 1.5 €m
GP 0.3 €m
EBIT N/A

1990|93

CLASQUIN enters a new stage in its development. Business operations expand to sea freight.

SALES 1990 15.0 €m
GP 4.3 €m
EBIT N/A

1994|99

CLASQUIN develops its international network by transforming its sales offices into operating subsidiaries. Operations set up in the United States (through business acquisitions), in Italy and Spain.

SALES 1995 30.9 €m
GP 7.9 €m
EBIT 0.3 €m

2000|04

CLASQUIN reinforced its IT systems, with standard accounting software, automatic monthly reporting, clearing office, etc. and stepped up recruitment of business managers to boost growth.

In 2004, Banque de Vizille bought into the Group's capital. Clasquin launched its 2008 Business Plan.

SALES 2000 60.9 €m
GP 15.7 €m
EBIT 1.8 €m

2006

Seeking to enhance its reputation and investment capabilities, particularly in order to make acquisitions, the Group was floated on the Alternext compartment of the NYSE/ EURONEXT stock exchange.

SALES 2006 106.0 €m
GP 23.9 €m
EBIT 3.5 €m

NB: Sales figures are not a very appropriate indicator of business in the sector, as they are strongly impacted by changes in air and sea freight rates, fuel surcharges and exchange rates (particularly versus the dollar).

SALES 2010 179.1 €m
GP 42.4 €m
EBIT 6.6 €m

SALES 2015 234.2 €m
GP 55.6 €m
EBIT 6.7 €m

SALES 2016 235.0 €m
GP 57.5 €m
EBIT 5.2 €m

2010|11

2010: sales and earnings soared in response to the resumption of buoyant international trade.
2011: an exceptional year for growth investment, against a background of declining international trade.

Opening of:
- CLASQUIN GERMANY
- CLASQUIN INDIA
- CLASQUIN GEORGIA

Total reshuffling of CLASQUIN ITALIA.

2012|15

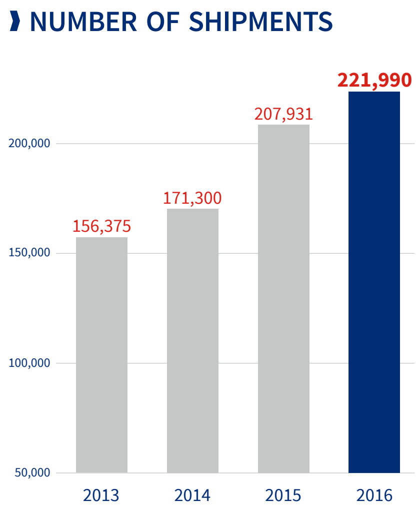
Despite an environment of economic recession in 2012, followed by moderate growth since the second half of 2013, CLASQUIN outperformed the market. The Group benefited from the successful integration of INTERCARGO (acquired in September 2012) and the acquisitions carried out in 2014 (GAF in Germany and ECS GARNETT in North America). In the second half of 2014, the Group also enjoyed the positive impacts of the margin growth plan.

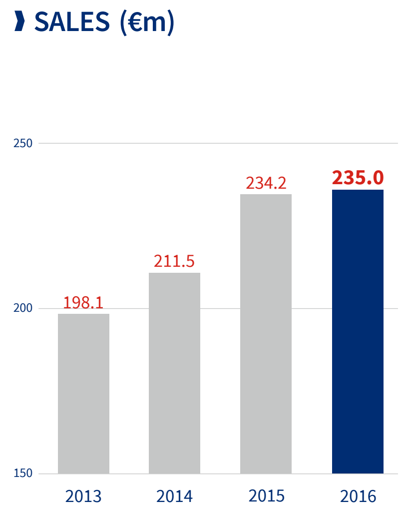
CLASQUIN also witnessed a great year in 2015 (number of shipments up 21.7%, gross profit up 27.5%, EBIT up 113.2%, net income up 60.1%) due to the impact of acquisitions, in particular that of LCI on 1 April. The disposal of GUEPPE CLASQUIN at the end of the year was in keeping with the Group's objective to focus on its core business.

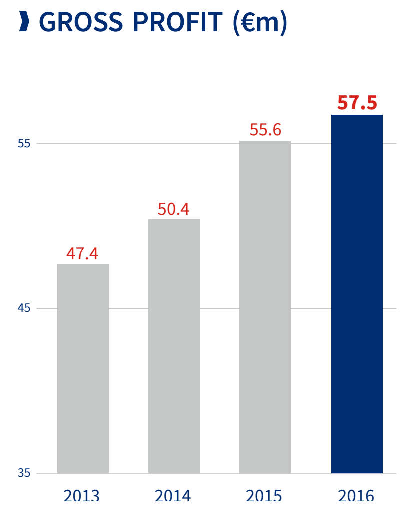
2016

At current scope and exchange rates, 2016 saw sustained growth both in the number of shipments (+6.8%) and in volumes shipped. Gross profit increased by 3.4%, due to steeper recovery in air freight unit margins in Q4. Following a sluggish performance in Q2 and Q3, sea freight unit margins regained their 2015 level in Q4. The Group continued its expansion with two acquisitions and the opening of two new subsidiaries in Portugal and Chile. 2016 was also characterised by the strengthening of the IT architecture and organisation and the signing of an agreement with the software publisher WISETECH (global industry leader) to replace the current Transport Management System (TMS).

2016 CLASQUIN financial overview



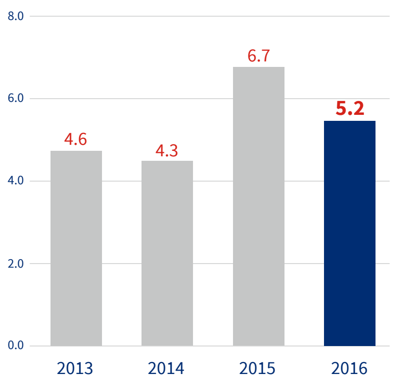




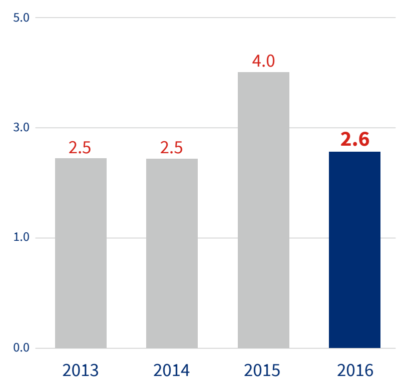
	NUMBER OF TEUs*	GROSS PROFIT (€m)	NUMBER OF SHIPMENTS
2016	144,147	27.7	100,765
2015	122,884	27.8	98,908
2014	104,410	22.5	92,090
2013**	85,138	20.6	81,595

*Twenty-foot Equivalent Units. **Excluding INTERCARGO.

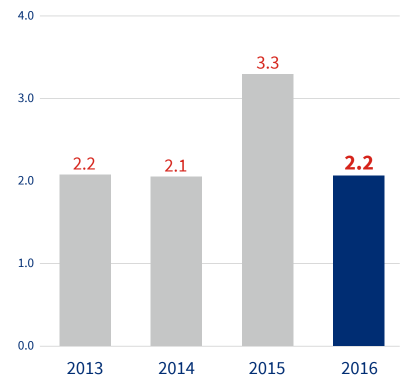
CURRENT OPERATING INCOME (€m)



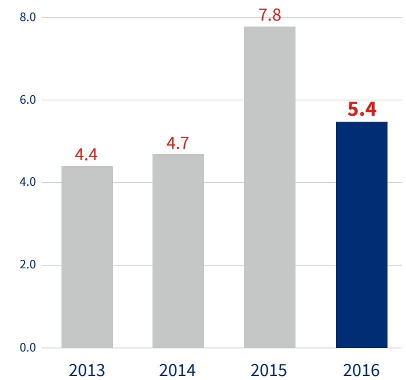
CONSOLIDATED NET PROFIT (€m)



NET PROFIT GROUP SHARE (€m)



OPERATING CASH FLOW (€m)



Air freight business

TONNAGE

2016	53,402
2015	50,586
2014	49,068
2013**	44,792

GROSS PROFIT (€m)

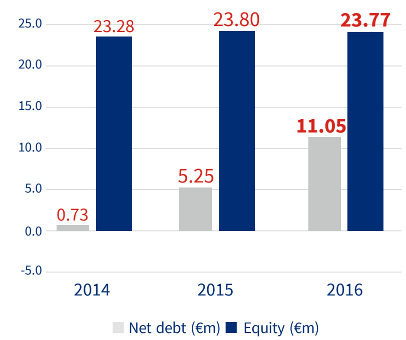
2016	18.4
2015	19.1
2014	16.6
2013	15.7

NUMBER OF SHIPMENTS

2016	72,820
2015	70,554
2014	65,274
2013	61,275

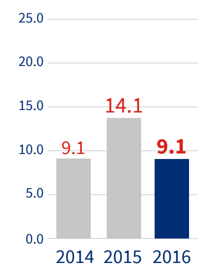
*Excluding INTERCARGO.

GEARING

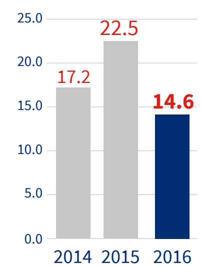


	31.12.2014	31.12.2015	31.12.2016
GEARING RATIO	3.1%	22.1%	46.5%

ROE (%)



ROCE (%)



Governance

Quentin LACOSTE, Group Chief Operating Officer

Yves REVOL, Chairman & CEO

Laurence ILHE, Group General Secretary

Hugues MORIN, Group Executive Vice President

EVOLUTION IN GOVERNANCE AND STABLE MANAGEMENT

Forging CLASQUIN's future in keeping with its unique positioning and development plan, getting ready to address new client challenges, adapting to market trends and new technologies - these are the rationales that have guided the introduction of a new governance structure at the beginning of 2016, centred around Yves REVOL, its Chairman & CEO since 1983. To implement the Company's strategy, Hugues MORIN has been promoted to Group Executive Vice President and two new members have joined the Executive Committee: Quentin LACOSTE (Group Chief Operating Officer) and Laurence ILHE (Group General Secretary).

This new team will step up the Group's growth and performance.

The governance of the CLASQUIN group is structured around three key bodies: the Board of Directors (the Board), responsible for the Group's strategy and overall policy, the Executive Committee (EXECOM) responsible for its management, and the General Management Committee (GMC) responsible for the operational implementation of its projects and activities.

A. THE BOARD OF DIRECTORS

The Board of Directors approves the Company's strategy and overall policy, appoints corporate officers, approves capital expenditure, oversees management and ensures the quality of information provided to shareholders. The Board of Directors met 5 times during financial year 2016. The average attendance rate of Board members (present or by proxy) during financial year 2016 was 94%. At 31 December 2016, the Board members were:

- OLYMP SAS, represented by Philippe LE BIHAN
- Yves REVOL,
- Philippe LONS,
- Hugues MORIN,
- Claire MIALARET,
- Christian AHRENS.

Laurence ILHE and Quentin LACOSTE were appointed Deputy Managing Directors in 2016.

B. EXECUTIVE COMMITTEE

The Executive Committee, which meets every Monday, is the Group's steering body responsible for defining strategy and overall policy and approving capital expenditure. At 31 January 2017, the Executive Committee comprised:

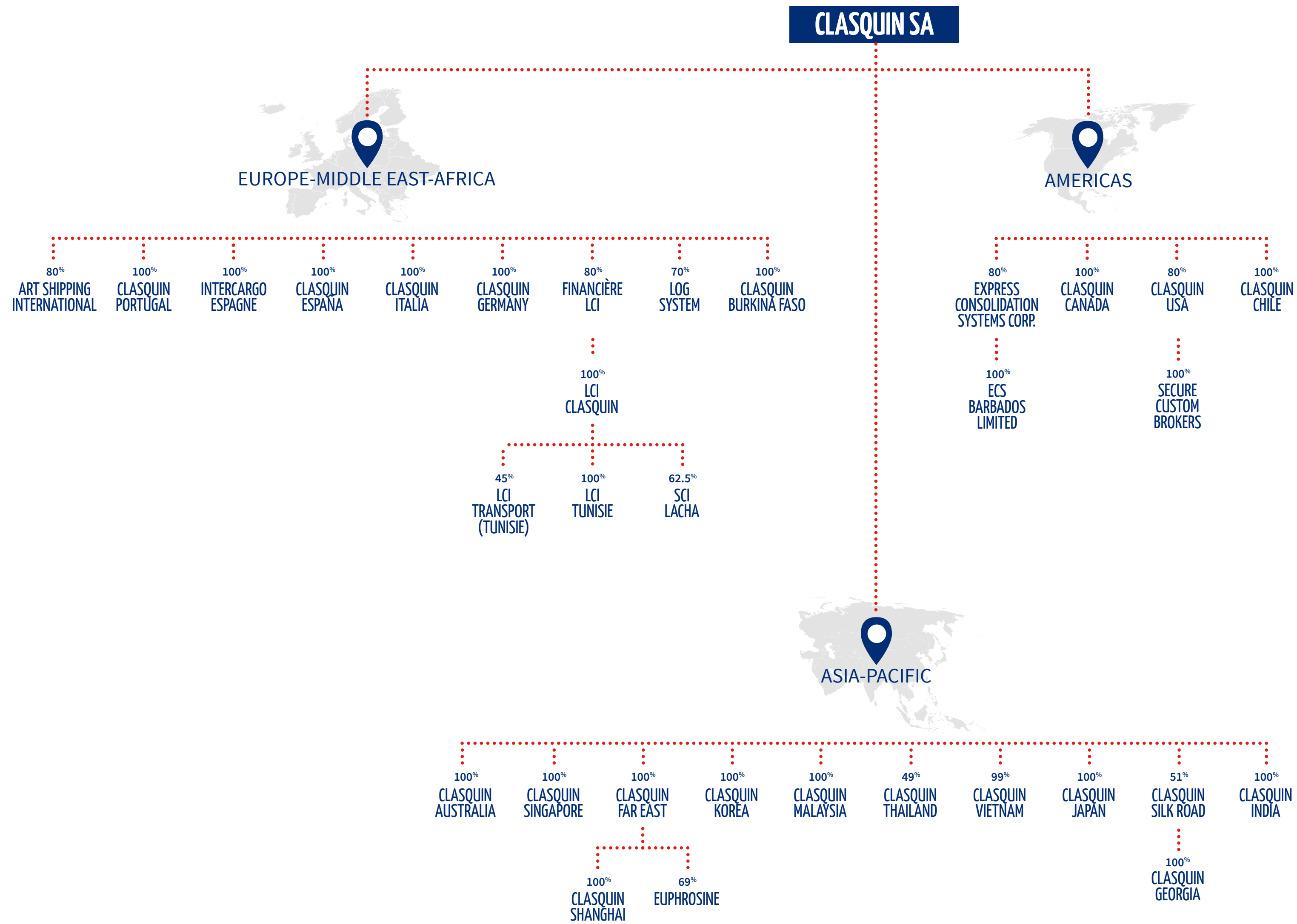
- Yves REVOL, Chairman & CEO,
- Hugues MORIN, Group Executive Vice President,
- Quentin LACOSTE, Group Chief Operating Officer (COO),
- Laurence ILHE, Group General Secretary, Group VP HR.

C. GENERAL MANAGEMENT COMMITTEE

The General Management Committee is composed of the Group's different functional and operational divisions. It implements the strategy, manages projects and ensures that the Group's operations proceed as planned.

D. ORGANISATION CHART

At 31 December 2016, the Group's parent company directly and indirectly controlled all of the following companies:



GENERAL MANAGEMENT COMMITTEE

Frank ACHOUCH
Managing Director GREATER CHINA

A Masters graduate in International Management, for over 20 years Frank ACHOUCH held various commercial and managerial positions in CMA-CGM, then SAGA, EAGLE GLOBAL LOGISTICS and B&A. He joined CLASQUIN in 2010 as Managing Director Hong Kong & South China, and was promoted to Managing Director Greater China in July 2012.

Olivia BOYRON
Group VP Legal Affairs

Holding a specialised postgraduate diploma in Banking and Financial Law and an LLM in European Business Law, Olivia BOYRON was admitted to the Lyon bar in 2001 and practised as a lawyer for 12 years, specialising in mergers and acquisitions, company law, stock market and venture capital law. She joined CLASQUIN in January 2014 as Group VP Legal Affairs.

Yves REVOL
Chairman & CEO

Chairman of the Executive Committee

With an M.A. in economics and international experience at the CFAO, he joined CLASQUIN in 1977, where he successively held positions as Sales Engineer, Sales Director and Managing Director. In 1982 he bought CLASQUIN, which was achieving sales of around €1.5 million at the time. He has been Group Chairman and CEO since 1 January 1983.

Hugues MORIN
Group Executive Vice President

Member of the Executive Committee

A graduate of the European Business School, he joined CLASQUIN and was successively posted to Sydney, Osaka and Tokyo. He returned to France in 2002, where he was appointed Regional Director for the South of France, and later promoted to Managing Director France, Italy and Germany. As Group Executive Vice President, he has been responsible for all Front Office functions (operations and sales) since 1 January 2016.

Deben GHOSH
Director INDIA, MALAYSIA, SINGAPORE & VIETNAM

Initially trained in Human Resources Management, Deben GHOSH began working in freight forwarding in 1994 for AFL in India (now DACHSER India) then worked for AGILITY (India and UK) and FSL (UK and France). He joined CLASQUIN at the end of 2010 to create the Indian subsidiary. In 2014, he took on a Regional Director position covering India, Malaysia, Singapore and Vietnam.

Philippe LONS
Chief Financial Officer

A graduate from EM Lyon, Philippe LONS joined the CLASQUIN group in 1986 working at the Hong Kong office, where he successively held the positions of Sales Delegate, subsidiary manager and then Regional Manager. In 1991, Philippe Lons returned to France where he became Chief Financial Officer in 1995.

Emmanuel THUAL
Chief Operating Officer France

Holder of an EMBA in Strategy & Management from Toulouse Business School, Emmanuel THUAL joined CLASQUIN in 2000, holding the positions of Branch Offices Director and Regional Director. He then set off for Canada to create the CLASQUIN subsidiary in Montreal. After his return in 2009, he was appointed Sales Director France, then Deputy MD France in 2011, before being promoted to Chief Operating Officer France on 1 January 2016.

Didier VANDERPERRE
President CLASQUIN USA

A graduate from the "École Supérieure de l'Administration du Commerce et de l'Industrie", Didier VANDERPERRE began his career in an international transport company as Manager North America. He joined CLASQUIN in 1993.

Quentin LACOSTE
Group Chief Operating Officer

Member of the Executive Committee

A graduate of the ESSEC Group and holder of an MBA, Quentin LACOSTE started his career with the German group RÖHLIG in sales and marketing, before joining the Group's management in 2005, with responsibility for around ten subsidiaries and the Air and Sea Freight Product and Procurement policy. He joined CLASQUIN at the end of 2015 to head the Group's Operations Department, to manage and develop the North American, Northern Europe, South-East Asian, Indian and Australian regions.

Laurence ILHE
Group General Secretary, Group VP RH

Member of the Executive Committee

A graduate of ESSEC, Laurence ILHE began her career as an auditor, before joining JC DECAUX, then DELL COMPUTER, followed by SFR MOBILE and DANONE. In 2012 she joined AKKA TECHNOLOGIES as CFO France and took command of all back office functions. She joined CLASQUIN at the end of January 2016 as Group General Secretary, responsible for managing and coordinating support services (Legal, Finance, Information Technology, Human Resources, non-business Purchasing).

David CANARD VOLLAND
Group VP Supply Chain Management

Holder of a MIAGE Master's Degree, David CANARD VOLLAND has 12 years of IT experience including 8 years in consulting/services, with positions ranging from Software Engineer to Project Manager, then Pre-Sales Consultant. He joined CLASQUIN in 1999 as Chief Information Officer. He has been responsible for the Group's Supply Chain Management since 4 April 2016.

Michel FUCHS
Chief Executive Officer ECS USA

Graduating from Rutgers University in "International Physical Distribution", Michel FUCHS started his career in 1969 in New York. He took a series of senior management positions in the USA, the Caribbean and Europe. Owner of the Tropical Shipping offices, then Chairman of the CALBERSON GROUP for North America, he set up ECS (Express Consolidation Systems) in 1982, which CLASQUIN took over in 2014.

Jean-Marc WILLIATTE
Group VP Marketing

Jean-Marc WILLIATTE holds a Senior diploma in Communication from the CELSA communication and journalism school in Paris. After holding several management positions in printed media companies for the first part of his career, this polyglot was bitten by China and a desire for entrepreneurial adventure. An ardent fan of new technologies, he joined CLASQUIN in January 2014 after spending several months as a consultant.

Laurent GUILLEN
Group Chief Information Officer

Holder of an Engineering degree in Information Systems from EISTI Cergy and a Masters degree from EM Lyon, Laurent GUILLEN began his career as Project Manager at the TOTAL group in Düsseldorf. He then became Project Director and Director of Information Systems in the IT departments at CARLSON, MONSANTO and MANITOWOC (Potain). Laurent joined CLASQUIN in January 2017 as Group Chief Information Officer.

Pascal PRAQUIN
M&A and Network Expansion Manager

Engineer and holder of an MBA, Pascal PRAQUIN's career has been mainly international, working as a secondee in Africa and Latin America for RENAULT, SCOA and BOLLORÉ. In 2011, he joined the NORBERT DENTRESSANGLE group as CFO of the Freight Forwarding division before taking charge of the Asia zone, where he remained until the acquisition of the Group by XPO. He has been Network Expansion Manager at CLASQUIN since November 2016.

Specialist in International Freight Management

A. ARCHITECT AND PROJECT MANAGER OF THE OVERSEAS LOGISTICS CHAIN

B. THE OVERSEAS MARKET

C. UNIQUE MARKET POSITION

D. KEY SUCCESS FACTORS

E. STRATEGY DRIVEN BY AMBITION

CLASQUIN
Shanghai

A. ARCHITECT AND PROJECT MANAGER OF THE OVERSEAS LOGISTICS CHAIN

1. From the pick-up of goods right through to distribution: customised and personalised service

In addition to freight forwarding, CLASQUIN offers comprehensive customised logistics solutions, adapted to the specific needs and demands of each client, and to the various types of goods and regions involved. These solutions guarantee an optimised process: a single point of contact for clients, end-to-end management of all overseas shipments, selection of the best sub-contractors, costs and transit times kept to a minimum.

CLASQUIN thus offers a very high level of responsiveness and client proximity.

2. Solutions controlled by its experts at every stage

2.1 SEA FREIGHT & AIR FREIGHT MANAGEMENT: OVERSEAS TRANSPORT UNDERPINNING ITS EXPERTISE

CLASQUIN operates from the main ports and airports across the world through its integrated and WFA (World Freight Alliance) networks enabling it to adapt its sea and air freight solutions to client needs: CLASQUIN organises, coordinates and supervises each stage of the logistics chain.

OVERSEAS AIR-SEA FREIGHT

DOCUMENTATION

VARIOUS PRE-SHIPMENT OPERATIONS*

CONSOLIDATION STUFFING

ORDER PICKING

INBOUND WAREHOUSING

GOODS PICK UP

BREAK BULK

CUSTOMS CLEARANCE

VARIOUS OPERATIONS ON ARRIVAL*

ORDER PICKING

DISTRIBUTION TO SITE

*Examples: Quality controls, assembly, etc.

2.2 CUSTOMS FORMALITIES: OUR PEOPLE IN THE FRONT LINE OF A SENSITIVE AND CONSTANTLY CHANGING FIELD

Where international trade is concerned, customs is a sensitive issue and regulations are constantly changing. Poorly managed, it can generate delays, increase costs or even result in penalties being incurred. CLASQUIN provides customised support to clients for all customs-related services through personalised appointments or "Meet with Experts" meetings organised throughout the year.

It also offers clients assistance in their In-House Customs Clearance Procedures and in obtaining AEO status, which CLASQUIN obtained in 2010.

2.3 UPSTREAM AND DOWNSTREAM: CREATING AND COORDINATING INNOVATIVE LOGISTICS SOLUTIONS

CLASQUIN is able to offer numerous upstream and downstream logistics solutions to optimise its clients' supply chains (end-to-end management of shipments, reduced transhipment of cargo and number of carriers, personalised service, etc.): CLASQUIN supports clients wishing to set up and develop anywhere in the world, regardless of the industry in which they operate, through its high value-added services.

For example, CLASQUIN launched a quality control platform in Shanghai in 2011, followed by Dhaka in Bangladesh in 2012 in order to improve the reliability of its clients' inspections.

In 2015, CLASQUIN built a warehouse of over 3,000 m² to meet the specific requirements of its clients in the pharmaceutical industry.

In 2016, CLASQUIN developed its logistics services by offering a rail transport solution from China all the way to Europe (Germany, France, Benelux).
Faster than sea freight and cheaper than air freight, this solution is an innovative and attractive alternative for its clients in terms of price to transit time.

In 2017, as explained in the text box below, CLASQUIN wishes to focus on the development of Overseas Logistics so as to remain highly responsive to the needs to its clients.

CLASQUIN
Roissy

FOCUS

OVERSEAS LOGISTICS, AN ENHANCED OFFERING THAT SETS US APART

A specialist in intercontinental transport and logistics chain solutions since 1984, CLASQUIN is currently diversifying its business portfolio in order to offer Overseas Logistics services to its clients in France and abroad.

Having joined the Group in 1999 to coordinate its digital transformation, David CANARD-VOLLAND is the man responsible for defining and developing this expertise within the Group's network and sales force. Initially rolled out in China, France and Japan, Overseas Logistics is designed for exporting clients seeking to establish or optimise their logistics flows in regions where they lack sufficient knowledge and experience.

CLASQUIN currently provides supply chain process advice and support to a large number of clients. This offer, a powerful growth driver for CLASQUIN, embodies its strategic response to a sluggish global market.

3. Teams striving for continuous improvement

The CLASQUIN continuous improvement programme is jointly managed by a QSE Unit (Quality, Safety & Environment) and an OTO Unit (Operations, Training & Organisation) across the entire Group, to implement specific and complementary actions.
Responding to on-site staff needs is the best way to add value to the programme and boost its ambitious development plan.
This pragmatic approach ensures a better response to the needs and expectations of clients.
Specifically, the CLASQUIN continuous improvement programme focuses on:

- Training employees and strengthening their commitment via monthly conference calls, business line committees and workshops,
- Gradual and collective formalisation and standardisation of the Group's operating procedures in the business line basic systems and in Aeolus, its Transport Management System,
- Reliable, proactive and seamless in-house and external reporting processes,
- Relevant and readable documentation for optimum impact,
- Analytical measurement of performance at all levels leading to action plans,
- Mastery of all client processes, from order entry through to IT system connections, setting up decision-making support tools and after-sales,

CLASQUIN
Osaka

FOCUS

LCI-CLASQUIN, LEADER IN ROLL ON / ROLL OFF

LCI-CLASQUIN, acquired by CLASQUIN in April 2015, is the leader in the Roll On / Roll Off sector in Northern Africa, a dynamic trading region and a strategic high-growth market for CLASQUIN.

A true entrepreneur and self-made man, the company's Manager, Yves CHAVENT, who has been in the business for over 30 years, created LCI in 1991 via the acquisition of transport company LAFONT's international business.

Three new locations were opened to cover the entire national territory: Vitrolles (2000), Niort (2001) and Garonord (2017) and a new company was created in Tunisia (1999) to boost its commercial development in that region.

Since its creation, LCI-CLASQUIN's business and earnings have continuously increased: in 2016, over 35,000 shipments (both export and import) to Tunisia (Tunis), Morocco (Tangier) and Turkey were handled, generating turnover of €17.2 million and gross profit of €6.5 million.

Roll On / Roll Off transport has an excellent cost to lead time ratio. Faster than sea freight and cheaper than air freight, this solution covers Villefranche sur Saône to Tunis in 48 hours, Tangier in 72 hours and Istanbul in 5 days.

The Group provides a turn-key, personalised service to which any logistics services – pre-shipment or on arrival – can be added, as well as customs clearance formalities, whether on a one-off or ongoing basis.

LCI-CLASQUIN's highly experienced and long-standing teams have unequalled know-how, recognised by their loyal clients (optimal handling of shipments, low rate of disputes, etc.).

These are the differentiating factors that today make the CLASQUIN group, in cooperation with LCI-CLASQUIN, one of the leading operators in Overseas Logistics and Freight Forwarding.

CLASQUIN
Le Havre

LCI-CLASQUIN
Villefranche-sur-Saône

B. THE OVERSEAS MARKET

1. A market closely pegged to changes in global trade

The process of trade globalisation, which began in the middle of the 1990s, has sharply increased world trade volumes.

The boom in intercontinental exports was the main factor underpinning growth in world GDP over nearly two decades, with Asia as the core region.

As a result, up until the late 2008/2009 financial crisis the air and sea freight forwarding segment experienced spectacular growth on Asia-Europe and Asia-USA routes as well as within Asia.

After the initial slump following the crisis and since 2010, logistics and international transport market players have had to cope with a low market growth environment, particularly in Europe.

Accordingly, competition has further intensified among the companies operating in this sluggish market.

In terms of value, the world freight forwarding market even declined in 2012 (down 4.1%) and in 2013 (down 3.2%).

The recovery proved more modest than expected: up 2.8% in 2014, 2.8% in 2015, and 1.3% in 2016, with real GDP growth of 2.3%. This is the lowest growth rate in trade and economic output since the financial crisis, well below the average of 5% recorded over the last 20 years. For the first time since 2001, in 2016 the trade to GDP growth ratio fell below 1 (0.6). The slow growth in trade was partly due to cyclical factors linked to the general economic slowdown; however, it also reflects deeper structural changes in the relationship between trade and economic output. The factors of global demand with the greatest impact on trade have been particularly weak: investment spending declined in the United States, and China continued to rebalance its economy by gearing its investment to consumption, thus weakening the demand for imports.

Lastly, economic conditions underlying the market (e.g. exchange rates, oil prices and freight rates) fluctuate with increasing volatility. This trend undoubtedly favours nimble and responsive businesses.

OUTLOOK FOR INTERNATIONAL TRADE IN 2017

The WTO forecasts growth in international trade of 2.4% in 2017; however, given the high level of uncertainty over short-term economic and political developments making forecasts riskier, this figure is set within a range of 1.8% to 3.6%.

The number of export orders and container shipments was high during the first few months of 2017, but recovery in trade may be undermined by political shocks.

However, given current trends in international trade, particularly to and from Asia, the overseas market remains very much a growth market in the long term.

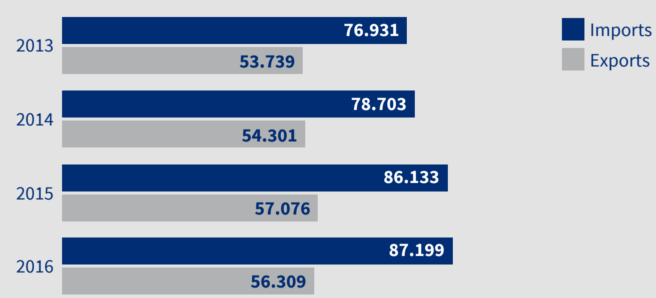
CLASQUIN
Madrid

FOCUS — 2016 FRANCE-ASIA TRADE

After two years of decline (2013) and of moderate growth (2014), trade with Asia picked up in 2015, with imports increasing by 9.4% and exports by 5.1%, driven by China.

However, 2016 posted a decline, with exports to Asia contracting (down 1.2%) while imports from Asia increased slightly (up 1.1%).

Overview of France-Asia trade*
(in euro billions)



**Source: French Customs - all Asian countries combined excluding military equipment.*

2. Market players

A number of operators are involved in logistics chains (road and rail carriers, freight forwarders, customs agents, air and sea freight companies, customs warehouses, etc.).

Merrill Lynch has established a classification of these different operators based on the extent to which they outsource and sub-contract logistics operations.

LEAD LOGISTICS PROVIDERS

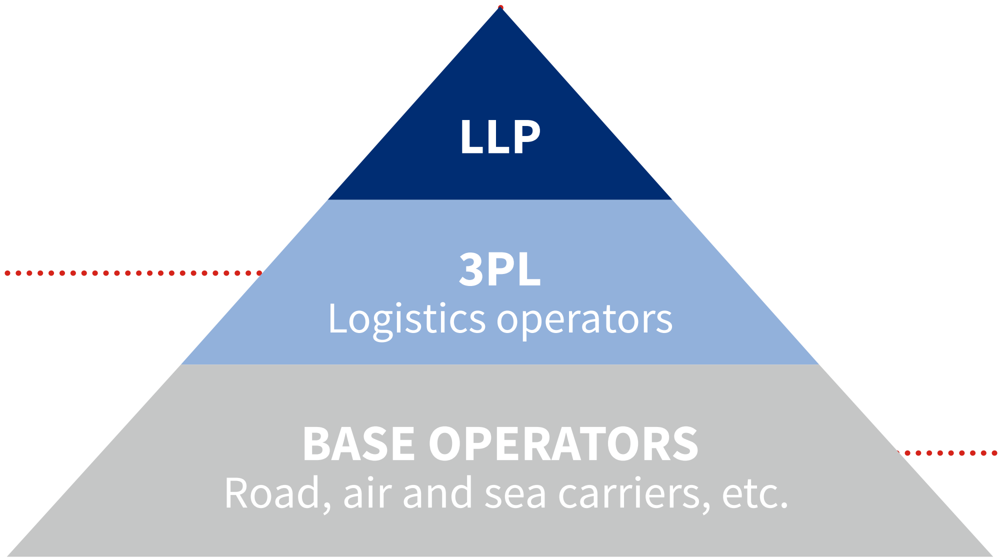
The industry is headed by a new generation of companies sometimes known as “4PLs”.

3PLs

(Third Party Logistics Providers)

These logistics operators add storage, packaging and order preparation operations to transport management on behalf of their clients.

In practice, the market giants are often both operators and 3PLs. Furthermore, they are as active in international as national transport segments.



OPERATORS

Operators are those owning the means of transport

For example, the road transport sector in this category includes: XPO, Geodis; for air transport: Air France Cargo, Lufthansa, Singapore Airlines, Korean Air; for sea transport: Maersk, MSC, CMA-CGM, NYK, Evergreen, UASC, K Line; and for rail: SNCF.

CLASQUIN belongs to a new type of Lead Logistics Provider, which includes companies free of the constraints of owning their own transportation or storage assets.

They are free to organise, control and optimise the flow of goods and services before and after transportation. They aim to provide increasingly high value-added services in a highly competitive market.

The international freight forwarding and logistics market is clearly split into two distinct types of operators:

- **Large international companies representing the TOP 20 industry players**

They account for over 50% of the global market[a]. Full-year 2015 and Q1 2016 were characterised by major mergers and acquisitions:

- acquisition of the TOLL Group by JAPAN POST (Feb. 2015),
- acquisition of NORBERT DENTRESSANGLE (April 2015) and CONWAY (Sept. 2015) by XPO LOGISTICS,
- acquisition of OHL by GEODIS (Aug. 2015),
- acquisition of UTI by DSV (Jan. 2016).

This series of mergers and acquisitions reflected increasing consolidation and strengthened alliances among sea and air freight carriers.

The race to reach critical mass impacted the unit margins of the largest operators in 2016 and the consolidation trend somewhat slowed down in 2016.

- **The tens of thousands of local companies that account for 45% of the global market.**[a]

These companies are deeply rooted in their specific regional characteristics and, for the most part, are limited in their capacity to grow due to their size.

They also face strong demand from clients (door-to-door service, tools for monitoring and integrating logistics flows, etc.).

They rely on the quality of the service relationship developed with their clients, who are subject to the same challenges as those faced by the entire freight forwarding industry[b]: higher demand for IT services, market volatility and risks of disruption.

Their ability to respond quickly is their main strength in tackling these challenges until 2020.

(a) Source Global Freight Forwarding 2014 report published by Transport Intelligence. http://theloadstar.co.uk/ forwarding-business-model-under-threat-as-global-supplychains-become-regional/
(b) http://www.3plstudy.com/key-findings/current-state-of-the-3pl-market/

C. UNIQUE MARKET POSITION

"Big enough to do the job, small enough to do it better". This is the motto of CLASQUIN's market position, the only French multinational medium-sized enterprise in its market.

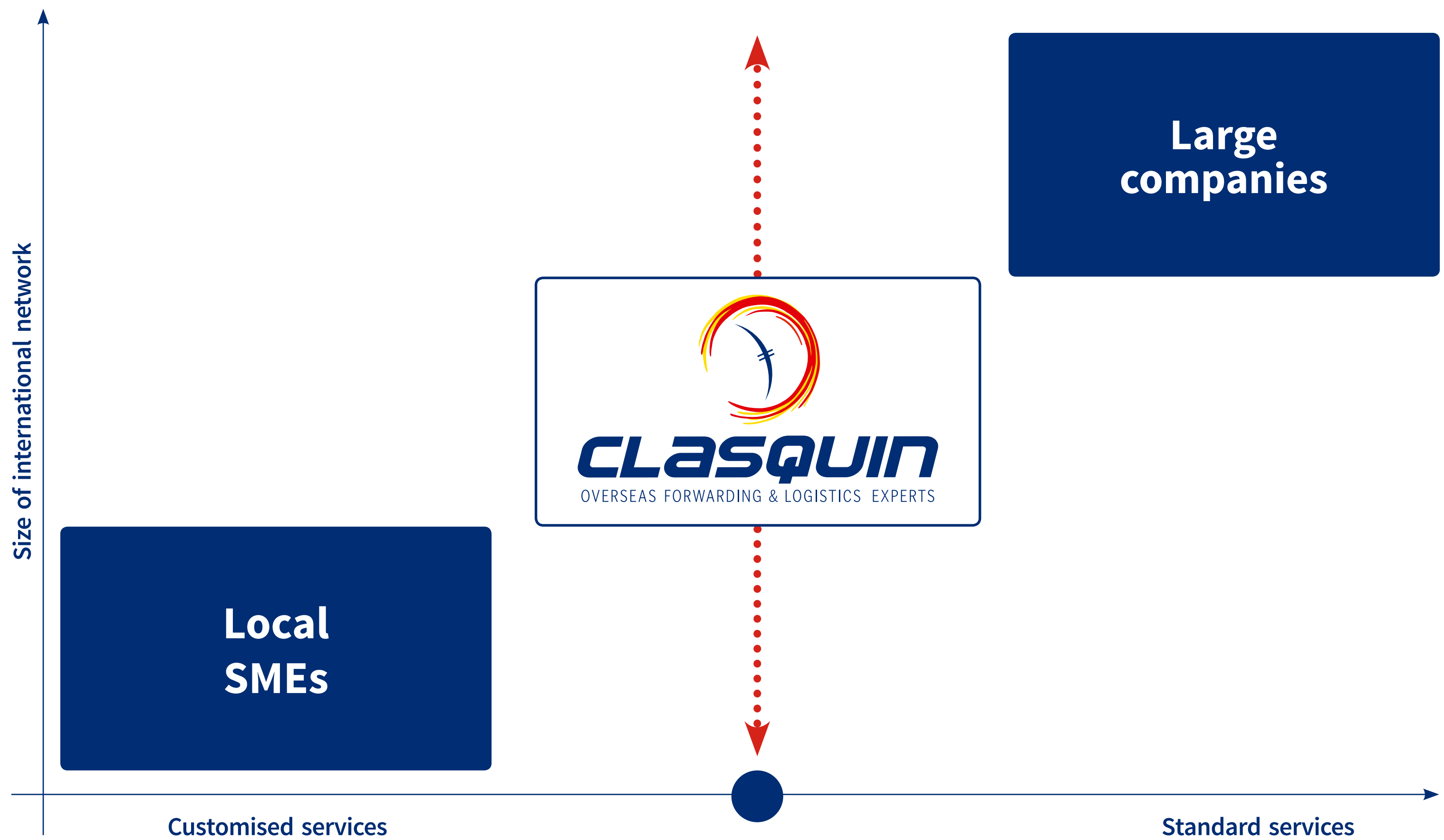
The Group uses its varied expertise and know-how to implement efficient solutions that streamline and secure the shipments of its clients, for whom global trade has become increasingly strategic and complex.

CLASQUIN now manages import and export flows mainly between Europe and overseas markets, and in particular with the Asia-Pacific region and the Americas.

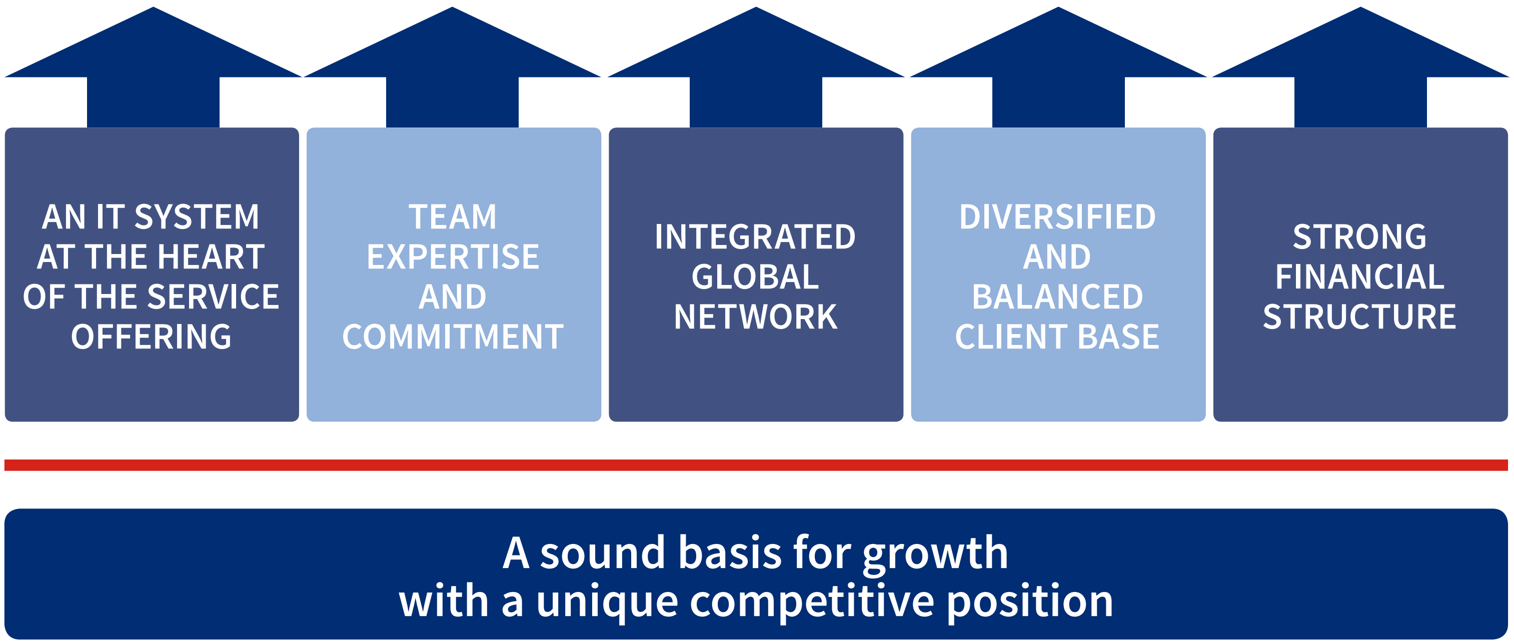
As a forerunner for Europe-Asia trade, CLASQUIN's network of 24 offices ensures a strong presence on the Asia-Pacific routes.

As an International Freight Management pure player, CLASQUIN is currently the only market operator capable of combining the range of services offered by a multinational company with the advantages of an SME, i.e. quick response times, local presence, dedicated client contacts and the ability to adapt and innovate.

The sole multinational SME on the overseas market



CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS



This UNIQUE market position is based on strong fundamentals that generate GROWTH and PROFIT:

- a prestigious CLIENT portfolio,
- a pool of outstanding TALENT committed to the "Clients, Profit & Fun" culture and to the fundamental values of Professionalism, Enthusiasm and Integrity,
- an IT system and tools dedicated to CLIENT PERFORMANCE,
- an integrated and controlled international NETWORK across more than 5 continents, with deep roots in Asia,
- SOUND financial position, supporting its development.

D. KEY SUCCESS FACTORS

1. Information system at the heart of the Company

Development of an information system and of effective IT tools underpins CLASQUIN's strategy. While ensuring a high level of performance and flexibility in a rapidly changing environment, this system adapts to the specific market features and legislation of the 20 countries where the Group operates. These tools give users real-time access to data in a productive and interactive management system, designed exclusively for CLASQUIN's clients and business partners.

1.1. CURRENT INFORMATION SYSTEM

CLASQUIN's information system was designed around the Aeolus solution, developed by its subsidiary LOG SYSTEM (see text box on the next page).

› **Aeolus** is the Transport Management System (TMS). It is deployed in all subsidiaries to manage operations, monitor deadlines and communicate with all parties in the supply chain. It also provides visibility on margins throughout the entire process. It has been enhanced over the last few years by **Aeolus 360°,** a central module used to circulate all information about shipments, regardless of where they are controlled, in real time and without human intervention.

A powerful decision-making tool complements the transaction-oriented portfolio: **Statistics On Demand (SOD).** SOD is a solution that groups and reproduces all data across the Group. It gives management visibility of the business in the form of dashboards, which may be generated at any time.

1.2 CUSTOMISED SERVICE FOR ITS CLIENTS

CLASQUIN has structured its collaborative tools designed for use by its clients under the generic name **E-Client Solutions** in order to offer high value added services:

› **E-Tracing** can be used to trace shipments and obtain real-time data on their status.

› **E-Connect** is a collaborative web portal that allows users to track orders. It highlights major deadlines, provides a web database comprising transport documents, invoices, packing lists, sales invoices etc., and enables cost analyses for every shipment.

› **E-Report** measures the overall profitability of operation based on data input into the system, while providing management indicators. Various tailored KPI (Key Performance Indicator) reports or discrepancy reports highlight compliance with the service commitment or SLA (Service Level Agreement).

› **E-Order** provides for detailed and accurate tracking per client reference via pre-input of past orders into a dedicated module.

› **E-Stock** provides a detailed view of the status of inventories by taking into account the range of products or storage and distribution points.

These applications are seamlessly coupled with EDI interfaces and KPIs enabling CLASQUIN to manage high volume information flows and to optimise the supply chain on behalf of its clients.

› **Tailor-Made -** in order to address the needs of its clients, who are constantly looking to improve their productivity and efficiency, CLASQUIN is also able to design sophisticated, ad-hoc solutions (Purchase Order Management, cost analyses, interfaces, EDI, etc.) by integrating flawlessly into their ERP and warehouse management tools available on the market.

CLASQUIN's IS/IT teams have in fact acquired significant experience and developed an information system to optimise data exchange.

This approach ensures that CLASQUIN becomes **the digital partner for its clients.**

1.3 APPROPRIATE GOVERNANCE TO STEER STRATEGIC INVESTMENTS

Since the beginning of 2014, Yves REVOL has set up and chaired an IS/IT Strategic Committee comprising all Group managers concerned by these issues. This Committee initiates and conducts discussions on changes to be made to CLASQUIN's information system.

In this digital age, swift data management and exchange is a major requirement for its clients and its teams. These tools must provide interconnectivity and generate the productivity gains largely expected. The role of this Committee is to ensure that CLASQUIN continues to meet these challenges by upgrading its IT tools in a harmonious and ongoing manner.

CLASQUIN
CargoWise

The objectives assigned to the committee are as follows:

- Attain the highest standards in the industry,
- Aim for excellence in productivity,
- Enhance IT systems for communicating with clients, suppliers and partners,
- Innovate in all areas that bring added value to clients and their staff.

The main areas on which the Committee is working are:

● **The selection of the new generation TMS (successor to the Aeolus application).** There were two possible approaches: the development of a new application to replace Aeolus or the search for an application that meets the company's functional requirements and market expectations.

The development of a replacement for Aeolus proved to be a technologically long and complex process. Today, there are a number of recognised applications on the market, whose functional coverage and integration with the transportation ecosystem - carriers, ports and airports, warehouses, customs authorities and transverse platforms - is proven and operational in several countries.

After an in-depth analysis of these two options, CLASQUIN decided to select a TMS available on the market. The spirit behind this project was to go further than merely choosing a system: it involved the choice of a long-term partner for CLASQUIN and its subsidiary LOG SYSTEM.

A working group, a subgroup of the Strategic Committee backed by internal experts, carried out a comparison of the various applications available on the market. It showed that the functional coverage of Aeolus was very good, requiring rigorous analysis and creating a highly selective filter.

At the end of this selection process, three software publishing companies were selected to further fine-tune their proposal.

The solution selected was CargoWise One, published by Australian company WISETECH. CargoWise is the market leader in Transport Management Systems (TMS) with over 6,000 users in 125 countries.

The contract between CLASQUIN and WISETECH was signed on 28 July 2016.

The project was officially launched in September 2016 with the setting up of a project team to design the solution's core model. The CLASQUIN group has opted for a gradual roll-out of the TMS across the entire network, scheduled for completion in 2019. Two pilot sites will test the solution: CLASQUIN ITALY in April 2017 and CLASQUIN HONG KONG in June 2017. The roll-out will then continue in China in autumn 2017 and in France at the beginning of 2018.

CLASQUIN has assigned the leadership of the project to Paul MOMEGE, Deputy CEO of LOG SYSTEM, given his solid experience in Freight Forwarding. He is supported by Laurent GUILLEN, the Group's new CIO, responsible for the management of the Skills Centre and by Jérémie KORJANEVSKI, head of OTO, for his operational and industry expertise.

The project team is made up of business line experts and IS project managers working alongside the LOG SYSTEM teams responsible for the integration of the solution. Where necessary, the team calls upon WISETECH'S partner network (Strenia, Zinnovate, etc.).

To procure the success of this project and provide for the necessary change management, the CLASQUIN group has also decided to set up local roll-out teams in order to facilitate users' familiarisation with the system and ensure all expected benefits are reaped. Each local establishment is thus managed by a Project Manager from the central teams who relies on business line experts (Business Process Owners) and key users (CargoWisers), under the guidance of the Country Manager.

The roadmap of the CargoWise One functionalities includes standard business processes as well as advanced functions such as solutions for quotation, tracking, electronic document management, as well as workflows and a number of automated processes.

There are three kinds of expected benefits:

- For its clients: a tailored service providing more visibility and value added information,
- For its users: more collaborative and comfortable work, visibility over the shipment in real time and improved client satisfaction,
- For the Group: improved efficiency and operational service quality.

● This transformation is also made possible thanks to the **strengthening of CLASQUIN's network infrastructure.** It will lead to improved performance in information processing and transfer, by leveraging new technologies (cloud computing) and thus support the implementation of the new CargoWise One solution and the new opportunities it offers.

● **The Business Intelligence Project (BIP),** the objective of which is to capitalise on the data underpinning CLASQUIN's digital transformation and business. Technological developments and new market solutions offer numerous opportunities; it is essential to structure data in order to make optimum use of it, particularly as CargoWise will contain new functionalities.

FOCUS — LOG SYSTEM, A SUBSIDIARY OF THE CLASQUIN GROUP SPECIALISING IN SOFTWARE DEVELOPMENT

Founded in 1986, LOG SYSTEM is the CLASQUIN group's IT subsidiary specialising in software development and IT services.

Since its creation, LOG SYSTEM has served two distinct markets:

- **International freight forwarding, with two main lines:**
  - Publisher of the Aeolus application, developed for the management of operations of international freight forwarding agents. This is a multi-modal (air, sea, road and combined transports) and multilingual tool. It is used in 25 countries around the world in over 180 sites.
  - Provider of IT services:
    - Integrator of freight forwarding software. LOG SYSTEM is responsible for the roll-out of CargoWise One within the CLASQUIN Group: project management, configuration, roll-out and training.
    - Development of additional products upstream or downstream of the operational solutions described above: interfaces, EDI, Business Intelligence, advice and support, all thanks to the first-rate functional expertise acquired over time.
- **Pathological anatomy and cytology (medical department), with the publication of two software packages: CYAN and CACP**
  Created for managing pathological anatomy and cytology, these software applications are designed for both public and private laboratories. They are suitable for all organisations, regardless of size: private practices, hospital sites, cancer research centres, etc. CYAN is more suitable for large facilities with multiple structures and CACP is geared towards laboratories with under 30 users.

LOG SYSTEM currently has 28 highly-experienced employees, mainly comprising developers, project managers and consultants.

Paul and Philippe, LOG SYSTEM

2. A pool of outstanding talent committed to the “Clients, Profit & Fun” culture and to core values

716 men and women speaking over 15 languages carry out the CLASQUIN mission in 20 countries, forming part of its DNA. In thirty years, CLASQUIN has become a global medium-sized company. Currently, 43% of the Company's employees work outside Europe, including 250 in Asia.

This internationalisation has been achieved in particular through the recruitment of local talent, ensuring solid understanding of the specificities of the markets where CLASQUIN is present. Attracting and retaining the most talented people, coordinating multicultural teams and promoting interdisciplinary skills are some of the issues underpinning the Company's strategy.

Beyond the diverse local situations, CLASQUIN remains a single, unified company which is growing thanks to the contribution of all of its employees, both current and future, in keeping with its culture of “Clients, Profit & Fun”, its entrepreneurial plan and its values founded on “Professionalism, Enthusiasm and Integrity”.

Sharing these fundamentals, while promoting the professional development of each and every person, has been a key success factor over the last few years and will prove vital to future success.

CLASQUIN
Frankfurt

2.1 COMMITMENT TO CORE VALUES

A large part of CLASQUIN's success stems from the expertise and commitment of its teams, all of which are organised into autonomous profit centres. Despite the geographical distance between employees, the Group has been successful in maintaining a true corporate culture anchored in its motto **"Clients, Profit & Fun"** and supported by its values **"Professionalism, Enthusiasm and Integrity"**.

CLASQUIN provides employees with numerous opportunities for meeting, discussing and sharing:

"Summer Universities" (SU)

Taking place approximately every two years, their aim is to bring together large numbers of CLASQUIN employees to discuss and share information on the Company's main projects, while experiencing the culture of performance and fun in a festive and multicultural atmosphere. The last "Summer Universities" were held in September 2014 and involved just under a third of Group employees.

World Management Committee Meeting (WMCM)

This annual event gathers together all Country Managers, Front and Back Office Managers and members of the Management Committee over several days, to approve the Company's main plans, discuss priorities and lay out action plans in a friendly atmosphere.

Fun at Work

In 2012, the Group conducted its first internal survey, the 'Funometer', aimed at measuring employee satisfaction throughout their career, based on six criteria defined by working groups: General Atmosphere, My Job, Management & Leadership, Respect & Recognition, Communication, Training & Career Development. These barometers launched in France, Greater China, Spain, Germany and Italy were extremely successful, achieving very high response rates.

At the end of 2016, the Group started the roll-out at two pilot sites of a new format of the internal survey, intended for team leaders.

CLIENTS

Our teams are committed to the performance of their clients. They are available and responsive, and work towards building trust and ensuring the highest level of client satisfaction on a daily basis.

FUN

Driven by passion, our employees are supportive, celebrate success and push themselves in a stimulating environment.

PROFIT

The heads of our Business Units are true entrepreneurs. Their teams are driven by the desire to take on ambitious challenges to support the Company's economic performance, to which they are intricately linked.

PROFESSIONALISM

As specialists in their field, each team is involved in a continuous improvement plan with the objective of achieving operational excellence.

INTEGRITY

Our teams respect people and their commitments by promoting honesty and loyalty. They strictly uphold the Company's values by behaving in a fully transparent manner.

ENTHUSIASM

Our employees share the same passion for the business and for team work. They demonstrate a high degree of commitment and welcome challenges.

2.2 RECRUITING: A SACRED ACT!

CLASQUIN is a highly selective recruiter that places demanding requirements on applicants' professional abilities and values. Destined to operate in a multicultural organisation, it is important that they demonstrate strong motivation to develop their expertise through interactions with colleagues of different nationalities. This approach to recruiting is one of the key foundations of the Company's success. It also adds to CLASQUIN's reputation for quality. To optimise its growth, CLASQUIN nurtures a pool of talent based on an analysis of key recruitment requirements in the different countries, regions and markets. The objective is to anticipate future needs or renew the pool of potential local talent, and to identify and establish contact with potential employees who could fit in with the Group's development strategy. Such a network enhances the capacity to identify relevant profiles rapidly whenever there is an effective recruitment need. The skills sought are as follows:

- **Profit Centre Managers** with recognised experience in air and sea freight forwarding as well as overseas logistics. They analyse requirements and develop innovative, efficient and secure solutions, with the objective of offering the best service in terms of "quality, cost and performance".
- **Operational Agents**, who are experts in air and sea freight, storage, distribution and logistics. They are familiar with international trade procedures and specialise in overseas practices. They deal with clients and suppliers on a daily basis.
- **Sales Managers and Business Development Managers**, experienced professionals in international freight forwarding and logistics, specialists in the geographical areas and business sectors in which they are involved. They ensure the development of the business and the implementation of the sales and marketing strategy.
- **Specialists in the various back office functions** (IT, finance, legal, human resources). Each in their area of expertise and providing support to the Front Office, they rally the Group around projects relating to transformation of information systems, of talent management and of the financial fundamentals which are vital to the Company's success.

CLASQUIN
HR

2.3 DEVELOPING EXPERTISE, VALUING EXPERIENCE AND PROMOTING INTERNAL MOBILITY

The issue of "talent" also includes an overall qualitative dimension. CLASQUIN's appeal is not based solely on its reputation as an expert, but also on its ability to offer employees good prospects in terms of growth, responsibility and personal development over the long term.

The high level of expertise of CLASQUIN's staff results from a wealth of experience gained by all employees that is shared within the Company. Enriching career prospects guarantee the development of its employees and their high level of dedication.

The Group has therefore set up an in-house training scheme comprising the following components:

- Operations modules focused on techniques and IT tools developed by the Group: these are conducted by its in-house training centre run by the OTO unit (Operations, Training & Organisation),
- Sales performance modules,
- Cross-cutting modules encompassing communication, management, leadership and recruitment,
- Modules in Advanced English.

The Company also provides individual support to its talent through customised coaching activities. These initiatives are also supported by more traditional classroom training or e-learning sessions.

In 2016, 153 training sessions were provided for a total of 414 hours.

Learning and strengthening skills internally, combined with opportunities for geographical mobility and development offered by the Group, pave the way for fulfilling professional careers. A few individual case studies at CLASQUIN will illustrate this point better than a set of impersonal statistics.

FOCUS — CAREER PATH & MOBILITY

> Audrey GAUVAIN,
Operations Agent Montreal

Originally from Brittany, Audrey began her career in 2005 in the world of Freight Forwarding as operations agent, specialising in air export operations. In 2014 she joined CLASQUIN's Nantes office, one of the largest of the CLASQUIN network, both in terms of size and profit.

Following a trip to Quebec in 2015, Audrey returned to France with a plan to one day move to Canada. When a position as operations agent opened up in the Montreal branch in spring 2016, Audrey applied and, thanks to the CLASQUIN group internal mobility programme, she joined the Canadian team a few months later. She has lived in Quebec since October 2016 and has taken up a challenge vastly different to her experience in Nantes, having joined a smaller yet dynamic branch of CLASQUIN Montreal.

> Ashish KUMAR
Finance Business Partner
India, Vietnam, Thailand

Born from New Delhi, Ashish holds an MBA in finance. He began his career in this field in 1998 with an Indian freight forwarder, then went on to develop his skills at DHL and Geodis. In 2011, when CLASQUIN opened an Indian subsidiary in New Delhi, Ashish joined as Business Partner Finance and was part of the pioneering team that took the plunge. At that time, he was the only representative of the accounting department and played a vital role in the creation and development of the subsidiary.

After four years as BP Finance for India, Ashish expressed his wish to take up a new challenge, and was offered the opportunity to do so by extending his area of responsibility to include the accounting and finance departments of Vietnam and Thailand, in addition to India. Ashish currently manages a team of local accountants in each of these countries. He guarantees compliance with procedures and the financial integrity of CLASQUIN in South-East Asia.

2.4 ENCOURAGING AN ENTREPRENEURIAL CULTURE

CLASQUIN's capital has been controlled by Management since 1983. This long-standing specific feature has a bearing on the Company's management style, which is geared towards constantly striving to instil an entrepreneurial spirit amongst its employees and to seek performance collectively.

When the Company was floated on Alternext, 70% of employees living in France demonstrated their commitment to CLASQUIN by subscribing to the employee shareholding scheme. Currently, 1 in every 2 employees is a shareholder in France via the Company Savings Scheme.

The share of capital owned by management and employees (employee mutual fund) is 56.75%.

The purpose of CLASQUIN's variable remuneration policy is to get the very best out of all the employees and train them in the performance culture. A unique system of variable remuneration linked to collective performance, common to all Group companies, invites all employees to make a joint commitment to the operating performance of their Profit Centre:

- the variable, so-called 'performance-based' salary (Collective Performance Salary) is calculated on the economic results of each Profit Centre and is added to the fixed salary in accordance with market practice,
- the Individual Performance Salary rewards individual contribution to the achievement of challenging targets.

For French companies, the Company Savings Scheme, topped up by an attractive policy of employer contributions, increases employee investments in the CLASQUIN PERFORMANCES company investment fund.

The Company is currently considering setting up a shareholding scheme for employees of the Group's foreign subsidiaries.

CLASQUIN Bordeaux

3. An integrated and controlled network on 5 continents

In 1984, CLASQUIN made the choice to invest in its own offices.

The Company thus developed its value added through a truly integrated international network, while most SMEs in the industry were simply establishing numerous ties with independent agents.

This fundamental choice means that CLASQUIN can today offer an international network that meets the expectations of its clients, in particular in terms of proximity and security in shipment monitoring.

- **29 OFFICES IN EUROPE AND AFRICA**
  Annecy, Barcelona (2), Bobo-Dioulasso, Bordeaux, Bremen, Düsseldorf, Frankfurt, Grenoble, La Crèche, Le Havre, Lille, Lisbon, Lyon HQ, Lyon-Saint-Exupéry, Madrid, Marseille, Milan, Mulhouse, Nantes, Paris, Porto, Roissy, Toulouse, Tours, Tunis, Valence, Villefranche-sur-Saône, Vitrolles.
- **24 OFFICES IN ASIA-PACIFIC**
  Bangalore, Bangkok, Beijing, Chennai, Guangzhou, Hanoi, Ho Chi Minh, Hong Kong, Kuala Lumpur, Melbourne, Mumbai, Newcastle, New Delhi, Ningbo, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore, Suzhou, Sydney, Tokyo, Xiamen.
- **9 OFFICES IN THE AMERICAS AND THE CARIBBEAN**
  Chicago, Hasbrouck Heights (New Jersey), Houston, Los Angeles, Miami, Montreal, New York airport, Santiago city centre, Santiago airport.

CLASQUIN
Lyon Saint Exupéry

3.1 HISTORICAL PRESENCE IN ASIA

A feature of the CLASQUIN group is its strong foothold in Asia, going back over thirty years. CLASQUIN opened its very first offices in 1984 in Japan and Hong Kong. Throughout the Asia-Pacific region, the Company now has 24 offices, which enables it to be well rooted in the local economy of these countries, with staff who fully understand local commercial practices, cultural habits and legislation.

3.2 UNIQUE COVERAGE

The CLASQUIN group is also present in North America (USA and Canada), in Europe (Italy, Spain and Germany) and in Northern Africa (Tunisia). In 2016, it extended and consolidated its network. This was firstly thanks to two acquisitions: AWC in New York (small customs brokerage business) and ART SHIPPING in Paris (specialising in the transportation of artwork), and secondly through the creation of new offices in India (Bangalore), Portugal (Lisbon and Porto) and Chile (Santiago).

3.3 NETWORK OF HIGH-PERFORMING PARTNERS

To further enhance its coverage, CLASQUIN draws on a network of independent agents under the WFA (World Freight Alliance) which covers 130 countries.

FOCUS

CLASQUIN PORTUGAL

CLASQUIN extended its international network by opening two offices in Portugal: Lisbon in October 2016 and Porto in December 2016.

Thanks to a team of experienced and complementary professionals, CLASQUIN PORTUGAL offers a large range of services to its clients, from the pick-up of goods right through to delivery to the consignee, regardless of the means of transport and the nature of the goods.

This new establishment in Portugal complements the Group's offering in the Wine and Spirits sector.

By extending its network, CLASQUIN's objective is to become a major player in Portugal and position itself alongside key players in its market.

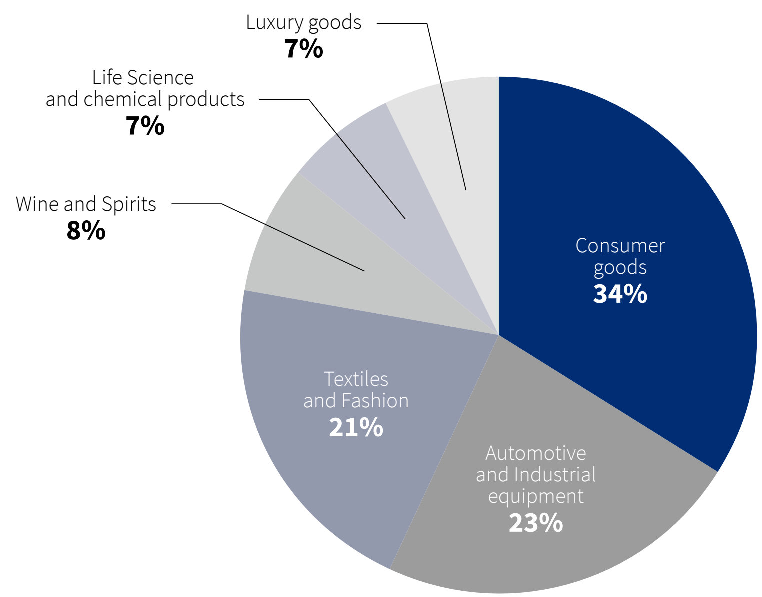
4. A prestigious client portfolio

CLASQUIN, a true creator of value for the companies it works with, has progressively broadened its scope of intervention thanks to its personalised service geared to both international SMEs and large groups.

CLASQUIN works in many sectors: consumer goods, fashion and luxury, industrial goods, pharmaceuticals and cosmetics, large retail, wines and spirits, etc.

CLASQUIN's portfolio of clients is also balanced. The top 30 clients account for less than 20% of gross profit and the largest key account for less than 3%.

Thanks to the quality and high added value of its offer, CLASQUIN has earned the trust of prestigious clients who are major players in their line of business.



The No.1 key account represents less than 3% of GP.
The top 30 clients represent less than 20% of GP.

E. STRATEGY DRIVEN BY AMBITION

CLASQUIN has been applying the same business model for the last 25 years. In 10 years, the value of shareholder's equity has increased twenty-fold and CLASQUIN has proven its full capacity to grow at a sustained pace, in particular in the most dynamic trading areas.

Its ambition is to keep on this trend. The Group would like to continue to support its clients and acquire market shares wherever it is present, while keeping a close eye on any acquisition opportunities that may arise.

With organisation at its core and a strong connection to its ecosystem, CLASQUIN is also one of the best-positioned players to develop a range of different services.

Driven by its ambition and winning mindset, the Group is reasserting its desire to pursue the focus of its long-standing business model:

- Fostering client growth,
- Creating and distributing customised original and complex solutions for certain business segments (quality control and transport of clothing on hangers for the fashion industry, consolidating and preparing orders before overseas shipment for distribution networks etc.),
- Winning market shares wherever it is present by recruiting the best talent,
- Leveraging its international network by opening new offices and/or subsidiaries,
- Identifying and building links with partners operating in its core business.
- Stepping up its geographical and product development in order to further improve its performance,
- Broadening its range of high value added solutions by gearing itself to a multi-service supply-chain Management business, in particular by developing its Overseas Logistics services,
- Making acquisitions focused on its three core regions: North America, Western Europe and Asia,
- Stepping up growth in South-East Asia and India,
- Seizing any opportunities in dynamic trading regions such as the Middle-East, and Northern and Sub-Saharan Africa,
- Seeking vertical and niche markets that are inherently more profitable.

CLASQUIN
WMCM 2016

A GLOBAL PLAYER

Operations in 8 of the TOP 10 countries in World Trade:

China/Hong Kong, USA, Germany, Japan, the United Kingdom, *France,* the Netherlands, *Korea, Italy, Canada.**

A EUROPEAN PLAYER

Operations in 6 of the TOP 12 partner countries of the European Union:

USA, China, Russia, Switzerland, Norway, Turkey, *Japan, Korea, India,* Brazil, Saudi Arabia, *Canada*).*

A STRATEGIC PRESENCE

Operations in 6 of the TOP 8 highest growth countries:

Vietnam, India, Turkey, *Bangladesh, Malaysia, Korea, China,* Indonesia.*

*The countries in italics are those where the CLASQUIN group has its own offices.

Group Corporate Social Responsibility

Honorine and Constant,
CLASQUIN Bobo Dioulasso

People, Planet, Profit

CLASQUIN believes CSR should always be a proactive and participatory initiative.

A. VALUING ITS HUMAN CAPITAL

CLASQUIN considers its people as its primary strength. Diversity and cultural difference underpin its DNA, where a number of cultures, nationalities, generations and professional backgrounds are represented (see point 2, p.24).

A series of cross-cutting measures have been implemented for the benefit of employees, with the objective of:

- Valuing staff talent and building skills,
- Promoting its employer brand,
- Protecting the health, safety and well-being of its employees,
- Promoting a global policy in favour of diversity,
- Encouraging mobility (see text box on p.26),
- Promoting jobs for disabled people.

B. CONTROLLING ITS ENVIRONMENTAL IMPACT

Helping clients to control their CO_2 emissions:

Thanks to its partnership with CARBON IMPACT, CLASQUIN can calculate the CO_2 emissions of the transport operations managed for its clients to compare different scenarios in order to highlight those that have the least impact on the environment.

Whenever relevant, CLASQUIN encourages its clients to favour low polluting transportation such as river/canal or rail transport.

Encouraging employees to reduce their carbon footprint:

In order to support this objective of reducing GHG emissions, a travel policy has been rolled out to improve monitoring and limit business-related travel. One of the objectives of this policy is to emphasise environmental aspects, prioritise video-conferences and conference calls and to travel only when there is no alternative.

At the same time, the reduction of the impact of travelling is also promoted through an annual car policy based on the choice of service vehicles and company cars, taking into account their GHG emissions.

The various branches are committed to continuously improving their practices in order to prevent pollution, by adopting concrete measures tailored to their business. Employees are regularly informed of environmental impacts and are made aware of the need to adopt an environmentally friendly attitude in their daily practices (awareness regarding waste sorting and recycling).

The CLASQUIN group headquarters and the CLASQUIN LYON SAINT EXUPERY branch outsource the recycling of paper, cups and plastic bottles to ELISE.

Every quarter, the environmental report for this initiative is sent to all employees concerned.

For 2016 as a whole, this initiative has contributed to the protection of 36 trees, 64,170 litres of water, 1,176 kg of CO_2 and 10,695 kWh of energy.

Lastly, CLASQUIN has just been assessed by EcoVadis, one of the leading rating agencies for corporate social responsibility. It received a score of 52/100 and was awarded a silver medal.

CLASQUIN
Bobo Dioulasso

C. FUNDING LOCAL COMMUNITIES

Besides its commitment as an employer, CLASQUIN supports local and national organisations that exemplify its motto: "Clients, Profit & Fun". The Group is also a founding member of the Emergences foundation, whose mission is to support projects aimed at developing initiatives under the banner 'Living better together'. CLASQUIN provides them with man-hours, skills and experience to bring these projects to fruition.

D. INVESTING IN THE SOCIAL ECONOMY

While outsourcing is of prime importance to its business, collaboration with French ESAT-affiliated and other businesses employing disabled people is continuously increasing. In 2016, CLASQUIN thus provided 32 hours of work for persons with disabilities. The initiative is currently being rolled out in each of the Group's French branches. Eventually, CLASQUIN seeks to extend this initiative to its foreign branches.

Development project in Burkina Faso

For a number of years now, the CLASQUIN group and Yves REVOL have undertaken social entrepreneurship initiatives in Western Africa to create jobs and contribute to the country's export activities. This resulted firstly in the creation in 2012 of a "responsible" CLASQUIN branch in Bobo-Dioulasso, whose objective is to offer services to "small producers" eager to target export markets.

At the same time, the "Foot Of Africa" project, which consists in the setting up of a leather footwear factory with a clear "Made in Africa" label, has been launched, with the first feasibility studies completed and steps taken for the construction of a building. In the first phase, this project was expected to create some fifty jobs, which would have supported 500 people while making valuable use of local raw materials. The coup in October 2014 and the attacks of January 2016 have halted progress on this project. The project was relaunched on a new basis in the second half of 2016, after the country democratically elected a new government in December 2015. Priorities include the start of production and training of Burkinabe personnel in the second half of 2017. Challenges include the gradual development of local expertise, the use of raw materials of African origin, the collaboration with artisan groups and the synergies with other local operators eager to start job-creating export activities.

The products will target the European market and, more generally, countries where the CLASQUIN group is present, through the creation of a specific line of African-inspired products, "Foot Of Africa", using a maximum of local components. The project will also aim to extend to the regional Western African market (WAEMU zone) where there is currently no industrial leather footwear manufacturer. The company will have to be economically viable on a long-term basis, while aiming to be competitive in its target products. In terms of social investment, which is a key objective of the project, it is estimated that each job will contribute to support ten people. The financial returns will be reinvested into development projects. Through these initiatives, the CLASQUIN group wishes to participate in the economic development of BURKINA-FASO, while helping it form connections with external markets.

Shareholder & Investor Information

Philippe and Stéphanie,
CLASQUIN Head Office

A. STOCK MARKET INFORMATION

IPO date: 31 January 2006

IPO price: €15.50

ISIN code: FR0004152882

Bloomberg code: ALCLA FP

Reuters code: ALCLA PA

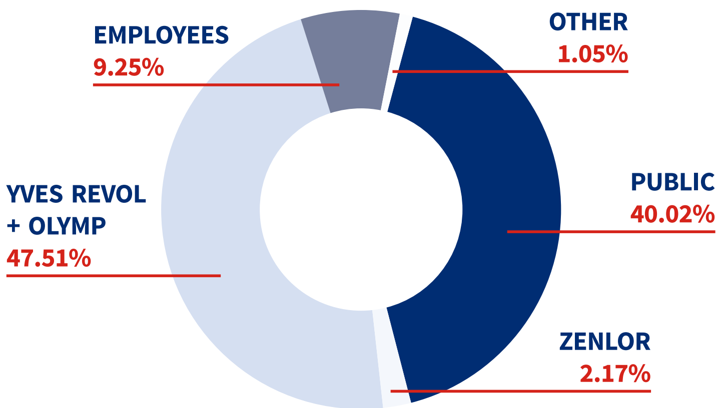
ICB Classification:
- 2000 Industries
- 2770 Industrial transport

Market: Alternext

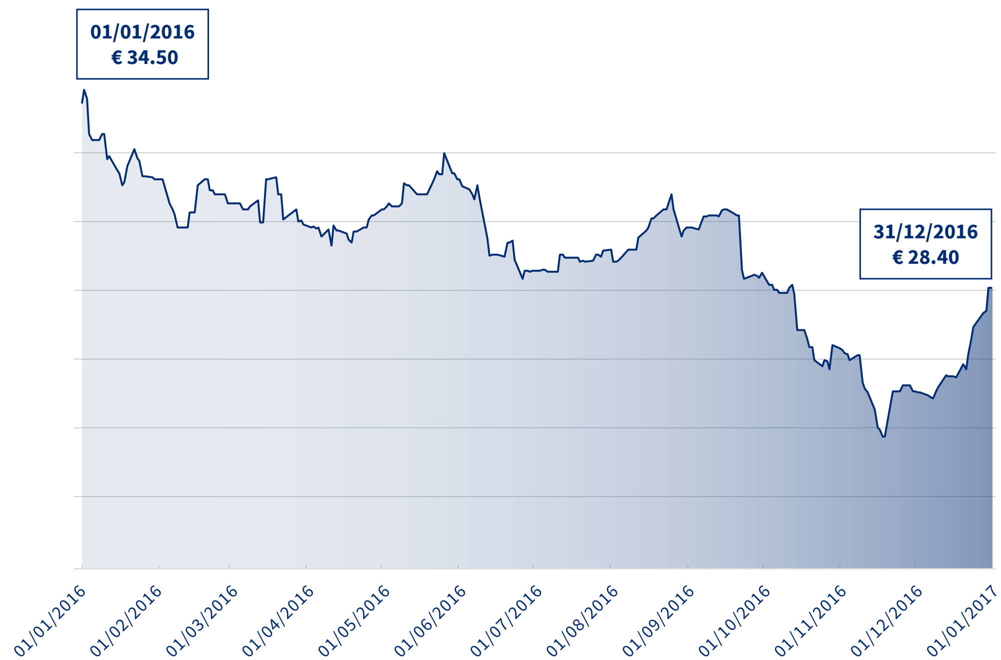
Listing: continuous

Share capital as at 31 December 2016: €4,612,802 divided into 2,306,401 shares with a par value of €2.00 each

B. SHAREHOLDERS AS AT 31 DECEMBER 2016



C. SHARE PRICE IN 2016



Closing share price at 1 January 2016: €34.50
Closing share price at 31 December 2016: €28.40

Highest closing price in 2016: €34.96
Lowest closing price in 2016: €23.50

Average daily volume in 2016: 1,530 shares traded

Market capitalisation at 31 December 2016: €65.5 million

Public float at 31 December 2016: 40.02%

D. DIVIDEND POLICY

Under a proper dividend policy, dividend payouts are naturally linked to earnings, the Company's available funds and the return on its investments, as well as short- and medium-term financing requirements. The Company's dividend policy is situated within this constantly changing context - it aims to pay out at least 20% of net profit Group share (except in exceptional circumstances), with no upper limit.

A dividend of €0.80 per share will be proposed - i.e. 84.9% of 2016 consolidated net profit Group share - at the 7 June 2017 Annual General Meeting.

E. LISTING SPONSOR

CM-CIC Securities acts as the Listing Sponsor for the CLASQUIN group.

F. LIQUIDITY CONTRACT

In order to improve and regulate liquidity for its shares, a liquidity contract was signed between CLASQUIN SA and ODDO CORPORATE FINANCE brokerage firm on 14 September 2009, the agreement being tacitly renewed each year. On 13 October 2014 the agreement was amended to increase the value of funds paid into the liquidity contract.

This contract was transferred to ODDO & Cie, sole shareholder of ODDO CORPORATE FINANCE by way of a universal transfer of assets and liabilities of the latter, effective on 1 March 2016.

This agreement complies with the AMAFI (French Association of Financial Markets) code of ethics.

Olivia and Enrique,
CLASQUIN Head Office

G. FINANCIAL ANALYSIS

Four financial analysts tracked the CLASQUIN share in 2016. They were:

ODDO MIDCAP - responsible for the research note:
Harold DE DECKER and Raphael HOFFSTETTER

KEPLER - responsible for the research note:
Baptiste DE LEUDEVILLE

MIDCAP PARTNERS - responsible for the research note:
Florent THY-TINE

SPONSOR Finance - responsible for the research note:
Claire DERAY

These analyses are available on the Company's website www.clasquin.com, under the heading "Financial Information" then under the tabs "Notes d'analystes (FR)" and "Stock Analysts Notes (EN)".

H. SOURCES OF INFORMATION AND DOCUMENTATION

The annual report is published in French within four months following the end of the financial year. It is available on request from the Company's head office or can be downloaded from the Company's website (www.clasquin.com) under the heading "Rapports financiers".

An English translation is also posted on the English version of the website under "Financial Reports".

Legal documents - articles of association, minutes of general meetings and statutory auditors' reports - can be consulted at CLASQUIN's head office.

The corporate website, www.clasquin.com, contains the main information concerning organisational structure, operations, news, financial data and press releases. The website www.euronext.com provides financial and market information concerning the Company.

I. 2017 SHAREHOLDERS' AGENDA

- 27/04/2017: Business report as at 31 March 2017
- 07/06/2017: Combined Annual General Meeting
- 31/08/2017: Business report as at 30 June 2017
- 20/09/2017: First half 2017 results
- 26/10/2017: Business report as at 30 September 2017

J. PERSONS RESPONSIBLE FOR THE INFORMATION

- Yves REVOL, Chairman and CEO
- Philippe LONS, Deputy Managing Director and Group CFO
- Stéphanie CHALANDON, Financial Reporting Manager
- Tel. 04 72 83 17 00
  Mail: finance@clasquin.com

2016 consolidated financial statements

Simon, CLASQUIN Tokyo
and Aurélie, CLASQUIN Head Office

2016 consolidated financial statements

Table of contents of the consolidated financial statements

A. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

1. Consolidated income statement

INCOME STATEMENT (in €k)	Notes	2016	2015
SALES	E.IV.13.3	235,024	234,206
Cost of sales		(177,525)	(178,588)
GROSS PROFIT	E.IV.13.3	57,500	55,618
Other purchases and external charges		(12,310)	(11,679)
Taxes and duties		(722)	(763)
Staff expenses		(37,363)	(34,936)
Net depreciation, amortisation and provisions		(1,965)	(1,746)
Other current income		908	1,104
Other current expenses		(859)	(909)
CURRENT OPERATING INCOME		5,188	6,689
Other operating income	E.IV.14	78	113
Other operating expenses	E.IV.14	(668)	(513)
OPERATING INCOME		4,598	6,289
Net cost of debt	E.IV.15	(168)	(195)
Other financial income	E.IV.15	771	1,488
Other financial expenses	E.IV.15	(1,117)	(1,472)
Income from equity affiliates		55	66
PROFIT BEFORE TAX		4,139	6,176
Income tax	E.IV.16	(1,507)	(1,939)
PROFIT FROM CONTINUING OPERATIONS		2,632	4,237
PROFIT FROM DISCONTINUED OPERATIONS		-	(254)
GROUP CONSOLIDATED NET PROFIT		2,632	3,983
Minority interests		459	637
NET PROFIT GROUP SHARE	E.IV.13.1.3	2,173	3,346

EARNINGS PER SHARE (in €) ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	E.IV.17	2016	2015
NET EPS FROM CONTINUING OPERATIONS			
- basic		0.94	1.69
- diluted		0.94	1.69
NET EPS FROM DISCONTINUED OPERATIONS			
- basic		-	-0.24
- diluted		-	-0.24
NET EARNINGS PER SHARE			
- basic		0.94	1.45
- diluted		0.94	1.45

2. Consolidated statement of comprehensive income

The amounts given are shown net of tax effect.

COMPREHENSIVE INCOME STATEMENT (in €k)	2016	2015
Consolidated net profit	2,632	3,983
Translation adjustments recognised in shareholders' equity	195	826
Cash flow hedges	(142)	-
Items that may be reclassified to income	53	826
Actuarial gains/losses on pension commitments	146	19
Items that are not reclassified to income	146	19
Items of other comprehensive income from continuing operations	199	845
Items of other comprehensive income from discontinued operations	-	-
Items of consolidated other comprehensive income	199	845
NET PROFIT AND GAINS AND LOSSES DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	2,831	4,828
GROUP SHARE	2,344	4,095
MINORITY INTERESTS	487	733

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Assets

ASSETS (in €k)	Notes	31/12/2016	31/12/2015
Goodwill	E.IV.1	14,974	14,197
Intangible assets	E.IV.2	4,104	3,055
Property, plant and equipment	E.IV.3	5,167	3,790
Non-consolidated equity affiliates	E.IV.4	-	-
Other financial assets	E.IV.4	945	1,018
Investments in equity affiliates		96	716
Deferred tax	E.IV.9	1,728	1,147
TOTAL NON-CURRENT ASSETS		27,014	23,923
Trade and other receivables	E.IV.5 & 6	65,467	62,580
Other current assets	E.IV.5	2,382	2,651
Tax receivables	E.IV.5	1,015	728
Cash and cash equivalents	E.IV.7	22,493	20,443
TOTAL CURRENT ASSETS		91,357	86,402
TOTAL ASSETS	E.IV.13.1.1	118,372	110,325

2. Liabilities and shareholders' equity

LIABILITIES AND SHAREHOLDERS' EQUITY (in €k)	Notes	31/12/2016	31/12/2015
Share capital	E.IV.8.1	4,613	4,613
Additional paid-in capital	E.IV.8.1	4,245	4,245
Reserves		9,766	9,508
Net profit Group share		2,173	3,346
SHAREHOLDERS' EQUITY - GROUP SHARE	D.	20,798	21,712
SHAREHOLDERS' EQUITY - MINORITY INTERESTS	D.	2,976	2,083
TOTAL SHAREHOLDERS' EQUITY	D.	23,773	23,795
Deferred tax	E.IV.9	408	27
Non-current provisions	E.IV.10	835	1,079
Long-term financial liabilities	E.IV.11	19,586	17,820
TOTAL NON-CURRENT LIABILITIES		20,829	18,926
Current provisions	E.IV.10	183	26
Short-term financial liabilities	E.IV.11	13,953	7,874
Trade and other payables	E.IV.12	49,861	50,706
Tax and welfare liabilities	E.IV.12	7,485	7,328
Current tax payables	E.IV.12	314	323
Other current liabilities	E.IV.12	1,974	1,347
TOTAL CURRENT LIABILITIES		73,770	67,604
TOTAL LIABILITIES		94,598	86,530
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	E.IV.13.1.2	118,372	110,325

C. CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT (in €k)	Notes	2016	2015
CASH POSITION AT OPENING		16,634	11,379
OPERATING ACTIVITIES			
Consolidated net profit		2,632	3,983
Income from equity affiliates		(55)	(66)
Dividends received from equity affiliates		119	-
Elimination of expenses and income not impacting cash flow or not linked to operations			
Depreciation, amortisation and provisions		2,358	1,484
Unrealised gains/(losses) on changes in fair value		(19)	30
Capital gains/(losses) on disposals		364	468
Items related to discontinued operations		-	1,895
GROSS OPERATING CASH FLOW		5,399	7,794
Net cost of debt	E.IV.15	168	195
Tax expense (including deferred tax)		1,507	1,939
Items related to discontinued operations		-	413
Tax paid on profits		(2,420)	(2,361)
Changes in working capital		(2,728)	187
- including changes in trade receivables and deferred income		(2,397)	6,328
- including changes in trade payables and deferred expenses		(1,156)	(6,848)
- including changes in other items		825	707
CASH FLOW FROM OPERATING ACTIVITIES		1,926	8,167
- OF WHICH DISCONTINUED OPERATIONS		-	*888*
INVESTMENT ACTIVITIES			
Acquisitions of intangible assets		(2,524)	(1,451)
Acquisitions of property, plant and equipment		(1,026)	(936)
Disposals of intangible assets and PP&E		3	226
Acquisitions of financial assets		(127)	(155)
Disposals of financial assets		154	114
Net cash allocated to acquisitions and disposals of subsidiaries(1)		(646)	(8,707)
CASH FLOW FROM INVESTMENTS		(4,166)	(10,909)
- OF WHICH DISCONTINUED OPERATIONS		-	*(1,961)*

CASH FLOW STATEMENT (in €k)	Notes	2016	2015
FINANCING ACTIVITIES			
Capital increase following acquisition of minority interests		-	600
Dividend payments to parent company shareholders	E.IV.8.2	(2,878)	(1,843)
Dividend payments to minority shareholders of consolidated companies		(18)	(285)
Inflows from new borrowings and other long-term financial liabilities		6,863	12,004
Repayments of borrowings and other long-term financial liabilities		(4,116)	(2,809)
Net cost of debt	E.IV.15	(168)	(195)
CASH FLOW FROM FINANCING ACTIVITIES		(317)	7,472
- OF WHICH DISCONTINUED OPERATIONS		-	*(1,168)*
IMPACT OF EXCHANGE RATE FLUCTUATIONS		2	575
CHANGE IN CASH AND CASH EQUIVALENTS		(2,555)	5,305
- OF WHICH DISCONTINUED OPERATIONS		-	*(2,241)*
RECLASSIFICATION OF CASH ASSETS		-	(50)
CASH POSITION AT CLOSING		14,079	16,634

CHANGE IN CASH AND CASH EQUIVALENTS		2016	2015
Opening cash assets	E.IV.7	20,443	13,168
Reclassification of cash assets		-	(50)
Closing cash assets	E.IV.7	22,493	20,443
CHANGE IN CASH ASSETS		2,050	7,325
Opening cash liabilities	E.IV.11.1	(3,809)	(1,789)
Closing cash liabilities	E.IV.11.1	(8,414)	(3,809)
CHANGE IN CASH LIABILITIES		(4,605)	(2,020)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(2,555)	5,305

(1) The main transactions in 2016 included (see paragraph E/ I.):
- a €462,000 net outflow resulting from the ART SHIPPING INTERNATIONAL acquisition (purchase price of €902,000 and €440,000 in net cash acquired),
- acquisition of additional shares in CLASQUIN VIETNAM for €43,000,
- acquisition of additional shares in SCI LACHA resulting in a net outflow of €141,000 (€190,000 for the acquisition of additional shares and €50,000 in net cash acquired).

The main transactions in 2015 included:
- an €11,199,000 net outflow resulting from the LCI-CLASQUIN SAS acquisition (formerly LCI INTERNATIONAL SAS), comprising a purchase price of €14,009,000 and €2,810,000 in net cash acquired,
- a €2,492,000 net inflow resulting from the sale of FINANCIÈRE GUEPPE SAS (€4,201,000 sale price and €1,709,000 in net cash disposed).

D. CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

BREAKDOWN OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY (in €k)	Share capital	Additional paid-in capital	Consolidated reserves & net profit	Earnings recorded as shareholders' equity	Group share	Minority interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 31/12/2014	4,613	4,245	12,106	239	21,203	2,074	23,277
Dividend distributed			(1,843)	-	(1,843)	(285)	(2,128)
2015 comprehensive income			3,346	749	4,095	721	4,816
Treasury shares			61	-	61	-	61
Sundry(1)			(1,804)	-	(1,804)	(427)	(2,231)
SHAREHOLDERS' EQUITY AT 31/12/2015	4,613	4,245	11,866	988	21,712	2,083	23,795
Dividend distributed			(2,878)	-	(2,878)	(18)	(2,896)
2016 comprehensive income			2,173	171	2,344	487	2,831
Treasury shares			(27)	-	(27)	-	(27)
Sundry(2)			(354)	-	(354)	424	70
SHAREHOLDERS' EQUITY AT 31/12/2016	4,613	4,245	10,781	1,159	20,798	2,976	23,773

(1) Impact of the recognition of the put option over minority interests in FINANCIÈRE LCI SAS (-€2.3m) and adjustment of the put option over minority interests in ECS US (+€0.5m).
(2) The €354,000 decrease at 31 December 2016 mainly results from the recognition of the put option over minority interests in ART SHIPPING INTERNATIONAL SAS (-€132,000, see details in paragraph E.IV.1) and from the discounted value of the put options over minority interests in ECS US and FINANCIÈRE LCI SAS of -€216,000. The €424,000 increase under minority interests mainly results from the controlling interests acquired in ART SHIPPING INTERNATIONAL of €221,000 and in SCI LACHA of €310,000 following the acquisition of additional shares.

The main objective of the CLASQUIN group in terms of managing its share capital is to ensure that it maintains a good credit risk rating and sound ratios in order to promote its business activities and maximise shareholder value. The Group manages the structure of its share capital and makes adjustments based on changes in economic conditions. To maintain or adjust share capital structure, the Group can adjust the payment of shareholder dividends, repay part of the capital or issue new shares. Policy objectives and management procedures remained unchanged compared to 2015.

INTERCARGO

E. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2016, as well as the related notes, were approved by the Board of Directors on 14 March 2017 and will be submitted to the shareholders' Annual General Meeting on 7 June 2017 for approval.

CLASQUIN SA is a company incorporated under French law. The Company was established in 1959 and its registered office is located at 235 Cours Lafayette, Lyon.

I. 2016 HIGHLIGHTS

1. Takeovers

ACQUISITION OF ART SHIPPING INTERNATIONAL

On 4 May 2016, CLASQUIN acquired an 80% equity stake in ART SHIPPING INTERNATIONAL, a company specialised in the transportation of artwork.

Following the valuation of identifiable assets, liabilities and contingent liabilities, this acquisition resulted in the recognition of goodwill of €0.7m. These items are detailed in the paragraph on goodwill in chapter "E.V - Explanation of balance sheet and income statement items and changes thereto".

A put option over minority interests, corresponding to the purchase of a 20% stake in ART SHIPPING INTERNATIONAL, was recognised at a discounted amount of €132,000.

SCI LACHA

LCI-CLASQUIN previously exercised joint control of SCI LACHA, in which it held a 50% stake. This company was therefore an equity-accounted company. On 18 July 2016, LCI-CLASQUIN increased its stake in SCI LACHA from 50% to 62.5%. The company was a member of the LCI sub-group acquired in 2015. This transaction did not give rise to any surplus as a result of the revaluation of the previous equity stake.

2. Increase of equity interests with no impact on consolidation method

CLASQUIN VIETNAM

On 1 February 2016 CLASQUIN SA increased its equity stake in CLASQUIN VIETNAM from 51% to 99%.

Pursuant to IFRS, this transaction resulted in the transfer of minority interest reserves to Group reserves, and no goodwill was recorded.

II. FINANCIAL REPORTING FRAMEWORK, CONSOLIDATION PROCEDURE, VALUATION METHODS AND RULES

1. Financial reporting framework

1.1 STATEMENT OF COMPLIANCE

Pursuant to European regulations nos.1606/2002 and 1725/2003, the Group consolidated financial statements were drawn up in compliance with the international accounting standards issued by the IASB (International Accounting Standards Board) and applicable in the European Union as at 31 December 2016. These rules may be consulted on the following website:

http://ec.europa.eu/finance/accounting/ias/index_en.htm.

The Group does not apply accounting principles contrary to IFRS requirements that have not yet been adopted by the European Union.

The accounting rules and valuation principles adopted for the preparation of the 2016 consolidated financial statements are those contained in the standards and interpretations published in the Official Journal of the European Union on 31 December 2016. The table on the next page lists the standards and interpretations as well as their application date:

CLASQUIN
Singapore

NAME OF STANDARD, INTERPRETATION OR AMENDMENT	Description	Date of application
Standards applied:		
IFRS 9	Financial Instruments	01/01/2018
IFRS 15	Revenue from Contracts with Clients	01/01/2018
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	01/01/2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	01/01/2016
Amendments to IAS 1	Disclosure Initiative	01/01/2016
Annual improvements	Annual improvements (2012-2014) to IFRS	01/01/2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	01/01/2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	01/01/2016

None of the standards and interpretations applicable since 1 January 2016 have had a material impact on or are relevant to the Group.

IFRS 9 and IFRS 15 will not be applied in advance. The impacts of these standards are currently being assessed.

The standards and amendments presented in the second list have not been adopted by the European Union.

The Group is currently in the process of determining the potential impact of these standards on its consolidated financial statements.

NAME OF STANDARD, INTERPRETATION OR AMENDMENT	Description	IASB publication date
IFRS 14	Regulatory Deferral Accounts	30/01/2014
Amendments to IAS 28 and IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11/09/2014
IFRS 16	Leases	13/01/2016
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	19/01/2016
Amendments to IAS 7	Disclosure Initiative	29/01/2016
Clarification to IFRS 15	Revenue from Contracts with Clients	12/04/2016
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	20/06/2016
Annual improvements	Annual improvements (2014-2016) to IFRS	08/12/2016
IFRIC 22	Foreign Currency Transactions and Advance Consideration	08/12/2016

1.2 BASES OF VALUATION

The financial statements are drawn up using the historical cost and amortised cost method.

1.3 USE OF ESTIMATES

The preparation of IFRS financial statements requires management to exercise its judgement in making estimates and assumptions which have an impact on the application of accounting methods and on the amounts of assets, liabilities, income and expenses. The actual values may be different from the estimated values.

The underlying estimates and assumptions are continually reviewed. The impact of changes in accounting estimates is recognised during the period of change and during all subsequent periods affected.

The main assumptions concerning future events, as well as other sources of uncertainty related to the use of estimates at the closing date, changes to which could entail a significant risk of material adjustments to the net book values of assets and liabilities during the following financial year, are explained in the following paragraphs of this chapter:

- 3.1 – Goodwill
- 3.5 – Asset impairment
- 3.11 – Provisions
- 3.12 – Pension commitments and similar benefits

1.4 REPORTING AND OPERATIONAL CURRENCY

The consolidated financial statements are presented in euros, which is the Company's operational currency. All financial data presented in euros is rounded up or down to the nearest thousand euros.

2. Consolidation procedure

2.1 CONSOLIDATION METHODS

Since 1 January 2014, the Group has applied the new standards on consolidation scope, i.e. IFRS 10, 11 and 12 and IAS 28 amended.

IFRS 10 "Consolidated Financial Statements" supersedes IAS 27 as well as interpretation SIC 12 "Consolidation – Special Purpose Entities" for all aspects relating to control and consolidation procedures using the full consolidation method. It redefines the notion of control over an entity on the basis of three criteria:

- the investor has power over the investee, i.e. the ability to direct the activities of the investee that significantly affect the investee's returns,
- the investor is exposed, or has rights, to variable returns, which may be either positive, in the form of dividends or any other type of economic benefit, or negative, from its involvement with the investee,
- the link between this power and these returns, i.e. the ability to use its power over the investee to affect the amount of the investor's returns.

In practice, companies in which the Group directly or indirectly holds the majority of voting rights at the Annual General Meeting, or on the Board of Directors or equivalent management body, giving it the power to direct their operational or financial policies, are generally deemed to be controlled and consolidated using the full consolidation method.

To determine control, the Group carries out an in-depth analysis of the existing governance structure and an analysis of other shareholders' rights. Where necessary, an analysis is also carried out of instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) which, if exercised, could change the type of influence exercised by each party.

IFRS 11 "Joint Arrangements" supersedes IAS 31 for all aspects relating to the accounting of entities under joint control. IAS 28 amended defines the notion of significant influence and describes the equity method applicable to investments in associates and joint ventures within the meaning of IFRS 11.

The CLASQUIN group recognises its controlling interests in accordance with the full consolidation method.

Full consolidation consists of:

- incorporating the items from the consolidated companies' accounts into the accounts of the consolidating company, after any restatements have been applied,
- distributing shareholders' equity and the profit between the consolidating company's interests and the interests of other shareholders or associates referred to as "minority interests",
- eliminating transactions between the fully consolidated company and the other consolidated companies.

Associates are companies in which the Group exercises significant influence, i.e. in which it has the right to participate in decisions relating to the financial and operating policy of the company, but without exercising control or joint control over said policies.

The Group has no interest under joint control.

The Group's investments in associates are accounted for using the equity method: the interest in an associate is initially recognised at its acquisition cost in the consolidated statement of financial position, and is later adjusted in order to account for the Group's share in net income, and other items of the associate's comprehensive income.

Marcus,
CLASQUIN Bremen

2.2 CONVERSION METHODS FOR FOREIGN COMPANY FINANCIAL STATEMENTS

Financial statements for entities whose operating currency is other than the euro are converted using the following procedures:

- the income statement is converted using the average exchange rate for the year,
- the balance sheet statements are converted used the closing rate, with the exception of capital and reserves, which are maintained at the historic cost,
- the resulting conversion differences are recorded under reserves in shareholders' equity.

The conversion rates applied are as follows:

CURRENCY	Average rate 2016	Average rate 2015	Rate as at 31/12/2016	Rate as at 31/12/2015
AUD	1.48	1.47	1.46	1.49
BBD	2.22	2.22	2.10	2.17
CAD	1.46	1.42	1.41	1.51
CFA Franc	655.96	655.96	655.96	655.96
CLP	754.24	-	704.06	-
CNY	7.35	6.89	7.31	7.06
GEL	2.60	2.51	2.66	2.59
HKD	8.59	8.60	8.16	8.44
INR	74.43	71.00	71.49	71.88
JPY	120.09	134.26	123.04	131.07
KRW	1,286.74	1,252.40	1,270.44	1,280.79
MYR	4.58	4.30	4.72	4.70
SGD	1.53	1.52	1.52	1.54
THB	39.12	37.86	37.69	39.25
TND	2.38	2.17	2.42	2.21
USD	1.11	1.11	1.05	1.09
VND	25,050.10	24,032.68	23,952.10	24,919.01

2.3 ELIMINATION OF INTRA-GROUP TRANSACTIONS

In accordance with regulations, transactions between consolidated companies and profits or losses generated internally between these companies have been removed from the consolidated financial statements.

Bonbon and Emily,
CLASQUIN Guangzhou

3. Valuation methods and rules

The principles and methods applied by the CLASQUIN group are as follows:

3.1 GOODWILL

The assets, liabilities and contingent liabilities of the acquired entity are recorded at their fair value at the end of a valuation period of up to 12 months following the acquisition date.

The positive differences between the acquisition cost and the purchasing company's share in the fair value of the identifiable assets, liabilities and contingent liabilities are recorded as goodwill under balance sheet assets. If goodwill is negative, it is immediately recognised as profit in the income statement.

Since revised IFRS 3 came into force on 1 January 2010, the Group has applied the following principles:

- transaction costs are recorded immediately as other operating expenses when they are incurred,
- for each business combination, the Group analyses the appropriateness of opting for "full" goodwill recognition, i.e. taking account of the proportion of goodwill attributable to non-controlling interests as at the acquisition date (measured at fair value), or for recognition of "partial" goodwill, which entails measuring the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets,
- any potential price adjustment is measured at its fair value on the acquisition date (even if it is not probable or reliably measurable) and this initial measurement can only be adjusted afterwards per contra goodwill in the light of new information associated with the circumstances existing at the acquisition date and insofar as this measurement takes place during the roll-forward period (12 months). Any adjustment made to the financial liability recognised as a price addition after the roll-forward period and not meeting these criteria is recognised per contra the Group's comprehensive income.

Commitments to buy out minority interests in controlled companies are recognised as liabilities at the discounted amount of the put option's exercise price, with a corresponding contra-entry under shareholders' equity attributable to owners of the parent company; subsequent changes in the liability follow the same treatment.

In application of IAS 36, goodwill is subject to impairment tests, as soon as there is any indication of impairment and at least once a year, using the Discounted Cash Flows (DCF) method.

For the purposes of these tests, assets are grouped according to the smallest group of assets to generate cash inflow from continued operations which is completely separate from the cash inflows generated by other assets or groups of assets.

Considering the Group's organisational structure, the following two operating segments (Cash Generating Units or CGUs) have been identified:

- air and sea freight forwarding and related services (the Group's core business),
- IT services (LOG SYSTEM).

The impairment test methods for the CGUs are set out in paragraph 3.5 of this chapter.

Where goodwill has been assigned to a CGU or group of CGUs and part of the operations within that unit are sold, the goodwill associated with the sold operation is included in the book value of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured based on the relative values of the sold operation and the portion of the CGU retained. When subsidiaries are sold, the difference between the sale price and the net assets sold plus cumulative conversion differences and the net value of the goodwill is recognised in the income statement.

CLASQUIN
India

3.2 OTHER INTANGIBLE ASSETS

Other intangible assets are valued at their acquisition or production value.
Intangible assets resulting from an acquisition are recognised separately from goodwill when they can be identified, are controlled by the Company and are likely to generate future economic benefits.

In-house research and development costs

Research costs are recognised as expenses as they are incurred. Development expenditure is recognised under intangible assets where it meets the criteria defined by IAS 38 and, in particular, if and only if it is possible to demonstrate:

- the technical feasibility required in order to complete the software for the purpose of using or selling it,
- the intent to complete the software and to use or sell it,
- the ability to use or sell the software,
- the way in which the software, during development, will generate probable future economic benefits; in particular, the existence of a market for the software under development must be demonstrated,
- the availability of technical, financial and other resources appropriate to complete development and to use or sell the software,
- the ability to reliably measure expenditure attributable to the software during development.

Compliance with these criteria is determined in respect of each individual product. Software development costs that cannot be capitalised are immediately recognised as expenses.

Amortisation is recorded for assets with a finite useful life. In the Group, useful life is generally as follows:

Type of asset	Useful life
Software developed in-house	4 to 8 years
Other software	1 to 6 years
Research & development costs	2 years

They are reviewed at each closure.

3.3 PROPERTY, PLANT AND EQUIPMENT

In compliance with IAS 16, property, plant and equipment is stated on the balance sheet at acquisition cost (purchase price and related expenses).

Property, plant and equipment is valued at its historical cost and is not subject to revaluation.

Maintenance and repair costs are directly recorded as expenses for the financial year, with the exception of those leading to improved performance of the asset in question or to an extension of its useful life.

Depreciation and amortisation are calculated using the straight-line method over the useful life of assets, which are generally:

Type of asset	Useful life
Buildings	37 years maximum
Fixtures & fittings	10 years maximum
Vehicles (including tractors, trucks)	4 to 7 years
Office and IT equipment	3 to 5 years

Useful life is reviewed at each closure.

3.4 FINANCE LEASES

In accordance with IAS 17 "Leases", fixed assets held under finance leases, for which the risks and benefits have been transferred to the lessee, are stated on the balance sheet at the discounted present value of the minimum lease payments or, if lower, at their market value. The corresponding liabilities are recorded as balance sheet liabilities under "Loans and borrowings."

Depreciation is in accordance with the aforementioned methods and rates. The tax impact of this adjustment is taken into account.

Sale and leaseback transactions that generate proceeds require:

- recognition of the sale proceeds in the income statement,
- recognition of a finance lease agreement,
- amortisation of the proceeds over the lease period, with this amortisation recorded in liabilities (under deferred income).

3.5 ASSET IMPAIRMENT

3.5.1 Intangible assets with a finite useful life and property, plant and equipment

Assets subject to depreciation or amortisation undergo an impairment test when there is an indication of loss of value, where, due to special events or circumstances, it is uncertain whether their book value can be recovered. The recoverable value of fixed assets is then estimated and impairment is recognised when the book value of an asset is higher than its recoverable value.

Recorded impairment losses can be written back later if the recoverable value again becomes greater than the net book value, up to the limit of the initially recognised impairment charge less depreciation/amortisation that would have been recognised if no impairment loss had been recorded.

The recoverable value of an asset is the higher value out of the sale price of the asset net of disposal costs and its value in use, determined by estimating future cash flows generated by the asset.

3.5.2 Intangible assets with an indefinite useful life and goodwill

Assets with an indefinite useful life are not amortised but are subject to annual impairment testing at each closure and whenever there is any indication of impairment.

For this test, the fixed assets are grouped into a Cash Generating Unit (CGU) which is defined as a uniform group of assets generating distinct cash inflows from those of other asset groups.

The assets' value in use is defined using the Discounted Cash Flow (DCF) method. Determining the value in use therefore requires, on the one hand, determination of cash flows arising from the continued use of the asset or from its withdrawal and, on the other hand, application of the relevant discount rate to these flows.

The methods used to determine the discount rate must ensure consistency with the nature of the risks taken into account when determining the actual cash flows. Thus the standard defines the discount rate as a rate that reflects current market appraisals of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

This is the rate of return on investment required by investors if they were to choose an investment generating cash flows with an amount, maturity and risk profile equivalent to those that the Company would hope to obtain from the asset in question. The rate is therefore in principle a market factor, not a factor specific to the Company or its ability to generate cash flows from using the tested asset.

The discount rate (WACC) may therefore be specific and incorporate risks specific to each CGU.

These impairment tests are also subject to sensitivity tests on the perpetuity growth rate and on WACC, to ensure that modifying these assumptions does not alter the outcome of the impairment test.

Impairment losses are recognised under a specific income statement account when the net book value of an asset or its CGU is higher than its recoverable value determined as above. An impairment loss recognised in respect of a CGU is first allocated to reducing the book value of all goodwill allocated to the CGU, then to reducing the book value of other assets of the CGU (in proportion to the book value of each CGU asset).

Goodwill impairment is irreversible and cannot be written back even if the recoverable value of the goodwill is restored to a level higher than its book value. The book value of an asset plus the write-back of an impairment loss must not be higher than the book value that would have been measured, net of depreciation, if no impairment loss had been recognised.

CLASQUIN
New York

3.6 OTHER FINANCIAL ASSETS

Other financial assets are analysed and assigned to one of the following four categories:

- those held for trading (securities purchased and held mainly for short-term resale),
- those held to maturity (non-derivatives with fixed or determinable payments and fixed maturities that the Group has the express intention and ability to hold to maturity),
- loans and receivables,
- those available for sale (all financial assets that are not assigned to one of the above categories).

Financial assets are assigned according to the reasons for their acquisition. The category is determined upon initial recognition.

Securities held for trading are measured at fair value, while unrealised gains and losses are recognised in the income statement.

Financial assets designated as held to maturity are measured at amortised cost using the effective interest rate method.

Loans and receivables are measured at amortised cost using the effective interest rate method. An impairment provision may be recognised if there is objective evidence of loss of value.

Securities available for sale are recorded at their fair value (determined by the market price if available). Unrealised gains and losses corresponding to temporary changes in the fair value of these assets are recognised in shareholders' equity. When securities are disposed of or impaired, the cumulative unrealised gains and losses previously recognised in shareholders' equity are transferred to the income statement.

Investments in non-consolidated companies are classified as securities available for sale. When they correspond to unconsolidated minority interests in listed companies (securities available for sale), these securities are valued at their listed market price at the end of the financial year. If the fair value cannot be reliably estimated, the investments continue to be stated at historic cost.

The deposits and guarantees that comprise most of this item are treated as loans and receivables. These assets are impaired when their net book value is higher than their recoverable value as estimated on the basis of the impairment tests, if there is evidence of loss of value. The loss of value is recognised in the income statement.

Trade receivables are written down on a specific basis taking account of various criteria, as follows: the client's financial situation, late payments, credit rating from an independent agency and geographical location. Net gains and losses on loans and receivables consist of interest income and impairment losses.

3.7 TRADE RECEIVABLES AND PAYABLES

Receivables and payables are valued at their nominal value. The effect of discounting receivables and payables is negligible.

Full or partial nominal impairment provisions are recorded for doubtful receivables if their recovery is uncertain and if their age is considerable.

At year-end, the Group companies value their foreign currency receivables and payables on the basis of closing exchange rates.

Receivables and payables hedged against foreign exchange rate fluctuations are valued according to the rate provided for by the hedge contract.

3.8 FINANCIAL HEDGING INSTRUMENTS

The Group enters into contracts for forward currency purchases and sales in order to hedge its foreign currency positions. In general, forward contracts do not exceed 3 months.

3.9 CASH AND CASH EQUIVALENTS

Cash equivalents are initially measured at their purchase or subscription price, excluding related charges. They consist of euro money-market instruments.

Short-term investments are measured at fair value, while unrealised or realised gains or losses are recorded under financial income/expense. The fair value is determined by referral to the market price at the end of the financial year.

Treasury shares are recognised as a reduction in shareholders' equity. Gains and losses on disposal of treasury shares and the associated dividends are directly recorded in shareholders' equity and do not affect profit or loss.

3.10 INCOME TAX

In compliance with IAS 12, the Group records deferred taxes as soon as a temporary difference occurs between the book value and the tax value of the assets and liabilities, and on unused tax losses.

Deferred taxes are calculated according to the liability method, by applying the last tax rate in force for each company. Deferred tax is determined using the tax rate which has been enacted by the end of the reporting period and which is expected to apply to the period when the deferred tax asset is realised or the deferred tax loss settled.

Tax assets and liabilities are offset when taxes are due to the same tax authority provided that this is authorised by the local tax authorities.

Deferred tax assets are only considered insofar as it is likely that the Group will receive future taxable profits against which the corresponding time difference can be offset. Deferred tax assets are examined at the end of each financial year and are reduced pro rata where it is no longer likely that a sufficient taxable profit will be available.

3.11 PROVISIONS

In compliance with IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are set aside when a current legal or constructive obligation exists with a third party at the year-end date and cash outflow is certain or probable at the account cut-off date with no equivalent cross-entry and future cash outflows can be reliably estimated.

This account includes commitments whose maturity or amount is uncertain, resulting from trade disputes, labour disputes or other risks.

Generally speaking, the various disputes in which the Company is involved were subject to a management review at the time of closure and, after taking external advice where relevant, the provisions considered necessary were set aside to cover the estimated risks.

3.12 PENSION COMMITMENTS AND SIMILAR BENEFITS

3.12.1 Defined contribution plans

Contributions paid into defined contribution plans are accounted for as expenses related to staff benefits when they are due.

3.12.2 Defined benefit plans

In accordance with IAS 19, pension commitments arising from defined benefit plans are determined on the basis of the entitlement acquired by employees in order to calculate retirement benefits, in accordance with their seniority and respective collective bargaining agreements (Road Haulage and Ancillary Services for CLASQUIN SA and LCI-CLASQUIN; SYNTEC for LOG SYSTEM) and taking into account the likelihood that they will still be working for the Company when they reach retirement age. The calculations are performed every year by a qualified actuary.

The commitments are measured using the probable current value of the entitlement acquired, according to actuarial assumptions, and in particular considering salary increases, staff turnover and mortality tables.

Actuarial gains and losses are recognised under items of other comprehensive income pursuant to IAS 19.

Jim and Nicole,
CLASQUIN Qingdao

3.13 FINANCIAL LIABILITIES

Financial liabilities correspond to the following items:

- either a contractual obligation to provide another company with cash or another financial asset,
- or a contract which will or may be settled using the Company's shares, for the portion that does not correspond to the definition of the shareholders' equity component.

The Group recognises financial liabilities when contractually bound, i.e. on the date when it commits to such transactions.

Financial liabilities mainly consist of current and non-current loans and borrowings with credit institutions. These liabilities are initially recorded at fair value, including any directly related transaction costs. They are subsequently valued at amortised cost on the basis of their effective interest rate.

The put options granted to minority shareholders of the subsidiaries are recognised as financial liabilities at their discounted present value. In compliance with revised IFRS 3, changes in the options' estimated exercise price are recognised in shareholders' equity.

3.14 CONVERSION METHOD FOR FOREIGN CURRENCY TRANSACTIONS

Any transactions expressed in foreign currencies are converted at the exchange rate in force at the time of the transaction.

On account cut-off, balances in foreign currencies are converted at the closing rate or the hedge rate for the hedged part. Any foreign exchange differences recorded at that time and those generated on foreign currency transactions are, where applicable, recorded under financial income/expense.

3.15 SALES RECOGNITION

3.15.1 Freight and logistics activity

Income is recorded in the income statement according to the percentage of completion of the given service at the end of the financial year, and valued on the basis of the work completed.

The Company's sales comprise:

- services for air and sea freight forwarding, customs, insurance, etc.,
- road haulage services,
- storage, warehousing and handling services, etc.

Sales recorded in the income statement only include income recognised once the service has been provided and only for the items set forth in the above 3 points.

Invoicing for customs liquidation (customs duties and VAT reinvoiced to clients) is directly recorded in the balance sheet.

3.15.2 IT service activity

LOG SYSTEM is an IT service provider, offering the following services and applying the following accounting methods:

Technical assistance, consulting, training and development services:

- Services recognised in sales on time-spent basis:

these services are recognised in sales, at the end of the month, or according to the contract terms and based on the services provided.

- Services covered by a fixed-price contract:

these services are recognised using the percentage of completion method.

Sales of materials and licences:

Income generated from the sale of products is valued at the fair value of the consideration received or receivable, net of any returns and refunds, sales discounts and volume discounts.

Income is recorded in the income statement when non-negligible risks and rewards incident to the ownership of goods have been transferred to the buyer, when consideration is likely to be recovered, when the related costs incurred or to be incurred and the potential return of the goods can be reliably assessed, when the Group is no longer involved in managing the products and when the amount of income can be reliably measured.

The transfer of risks and rewards is assessed based on the terms and conditions of the sales agreement.

For the sale of IT equipment and licences, the transfer occurs upon delivery.

Sales of equipment and licences are recognised in sales at the time of delivery.

Any payback on licences or commissions for business facilitators generate a credit note, issued by the Company at the time of invoicing. These credit notes are entered under purchases.

Contracts featuring different items:

The different items are accounted for according to their nature and the principles described above.

3.16 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income – Group share – for the financial year attributable to ordinary shares by the weighted average number of outstanding equity shares during the financial year. The average number of shares outstanding during the accounting period is the number of ordinary shares outstanding at the beginning of the financial year, adjusted for the number of ordinary shares bought back or issued during the financial year.

To calculate diluted earnings per share, earnings per share is adjusted to take account of the effects of exercising dilutive instruments or converting them into shares.

3.17 CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement is presented in compliance with IAS 1, incorporating in particular the following IAS 7 rules:

- impairment of current assets is given in the cash inflows/outflows related to current assets,
- the net cash item assigned to acquisitions and disposals of subsidiaries corresponds to the acquisition price, less net cash (or plus current cash liabilities) as recorded on the acquisition date, with similar logic applied to disposals,
- the opening and closing cash line items correspond to the cash assets (cash and cash equivalents) from which current cash liabilities (bank overdrafts) are deducted. They do not include current accounts with non-consolidated companies.

Cash flows relating to operating activities, investments and financing of discontinued operations are presented in a different manner.

CLASQUIN
Milan

III. OPERATING SEGMENTS AND LIST OF CONSOLIDATED COMPANIES

1. Operating segments

In accordance with IFRS 8, the Group presents segment information, based on internal reporting as regularly reviewed by the Group's senior management, to assess the performance of each segment and allocate resources.

An operating segment is a part of the entity:

- that undertakes activities likely to result in it receiving revenues and incurring expenses, including revenues and expenses associated with transactions with other parts of the same entity,
- for which operational income is regularly reviewed by the entity's main operational decision-maker in order to take decisions about the resources to be allocated to a segment and to assess its performance,
- for which distinct financial information is available.

Given this definition, the operating segments of the CLASQUIN group relate to the following business activities:

- **Segment 1:** Air and sea freight forwarding and related services ("Overseas Freight"),
- **Segment 2:** IT service contractor ("IT services").

Operating segment 1 comprises 3 business lines:

- Air freight forwarding and related services,
- Sea freight forwarding and related services,
- Other services not included in air and sea freight (including related services) are grouped into the 'Others' business line.

These three business lines are the subject of the secondary assessment of business segments in paragraph 13.2 - Assessment of gross profit in chapter "E. IV. Explanation of balance sheet and income statement items and changes thereto".

CLASQUIN Shanghai

2. List of consolidated companies

The companies included within the scope of consolidation are listed below:

NAME OF COMPANY	Registered office Siren No.	Consolidation method	% of control in 2016	% of interest 2016	% of control in 2015	% of interest 2015
Parent company						
CLASQUIN SA	Lyon - 959 503 087	Parent company	Holding company	Holding company	Holding company	Holding company
Directly-owned companies						
ART SHIPPING INTERNATIONAL SAS	Paris	Full consolidation	100%	80%	-	-
CLASQUIN AUSTRALIA PTY LTD	Melbourne	Full consolidation	100%	100%	100%	100%
CLASQUIN BURKINA FASO	Bobo-Dioulasso	Full consolidation	100%	100%	100%	100%
CLASQUIN CANADA INC.	Montreal	Full consolidation	100%	100%	100%	100%
CLASQUIN CHILE	Santiago	Full consolidation	100%	100%	-	-
CLASQUIN ESPAÑA SL	Barcelona	Full consolidation	100%	100%	100%	100%
CLASQUIN FAR EAST LTD	Hong Kong	Full consolidation	100%	100%	100%	100%
CLASQUIN GERMANY GMBH	Frankfurt	Full consolidation	100%	100%	100%	100%
CLASQUIN INDIA PVT LTD	Delhi	Full consolidation	100%	100%	100%	100%
CLASQUIN ITALIA SRL	Milan	Full consolidation	100%	100%	100%	100%
CLASQUIN JAPAN KK LTD	Tokyo	Full consolidation	100%	100%	100%	100%
CLASQUIN KOREA LTD	Seoul	Full consolidation	100%	100%	100%	100%
CLASQUIN MALAYSIA LTD	Kuala Lumpur	Full consolidation	100%	100%	100%	100%
CLASQUIN PORTUGAL LDA	Lisbon	Full consolidation	100%	100%	-	-
CLASQUIN SILK ROAD	Hong Kong	Full consolidation	100%	51%	100%	51%
CLASQUIN SINGAPORE PTE LTD	Singapore	Full consolidation	100%	100%	100%	100%
CLASQUIN THAILAND CO LTD	Bangkok	Full consolidation	100%	49%	100%	49%
CLASQUIN USA INC.	New York	Full consolidation	100%	80%	100%	80%
CLASQUIN VIETNAM LTD	Ho Chi Minh City	Full consolidation	100%	99%	100%	51%
EXPRESS CONSOLIDATION SYSTEMS CORP.	Rutherford (New Jersey)	Full consolidation	100%	80%	100%	80%
FINANCIÈRE LCI SAS	Lyon - 810 246 686	Full consolidation	100%	80%	100%	80%
LOG SYSTEM SARL	Lyon - 335 146 965	Full consolidation	100%	70%	100%	70%
TRANSITOS INTERNACIONALES INTERCARGO 1999 SA	Barcelona	Full consolidation	100%	100%	100%	100%

NAME OF COMPANY	Registered office Siren No.	Consolidation method	% of control in 2016	% of interest 2016	% of control in 2015	% of interest 2015
Indirect subsidiaries						
COMPANY OWNED BY CLASQUIN SILK ROAD:						
CLASQUIN GEORGIA	Tbilisi	Full consolidation	100%	51%	100%	51%
COMPANIES OWNED BY CLASQUIN FAR EAST LTD:						
CLASQUIN SHANGHAI LTD	Shanghai	Full consolidation	100%	100%	100%	100%
EUPHROSINE LTD	Hong Kong	Full consolidation	100%	69%	100%	69%
COMPANY OWNED BY CLASQUIN USA INC.:						
SECURE CUSTOMS BROKERS INC.	New York	Full consolidation	100%	80%	100%	80%
COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS CORP.:						
EXPEDITED CONTAINER SERVICE INC.	Montreal	Full consolidation	100%	80%	100%	80%
EXPRESS CONSOLIDATION SYSTEMS BARBADOS LIMITED	Saint Michael	Full consolidation	100%	80%	100%	80%
COMPANIES OWNED BY FINANCIÈRE LCI SAS:						
LCI-CLASQUIN	Villefranche - 382 411 908	Full consolidation	100%	80%	100%	80%
LCI TUNISIE SARL	La Marsa (Tunisia)	Full consolidation	99.9%	79.9%	100%	80%
LCI TRANSPORT SARL	Rades (Tunisia)	Equity method	45%	36%	45%	36%
MED TIR SA	Rades (Tunisia)	Equity method	48.3%	38.6%	48.3%	38.6%
SCI LACHA	Villefranche - 398 371 914	Full consolidation	62.5%	50%	50%	40%

All companies are consolidated on the basis of their financial statements for the year ended 31 December 2016, covering a period of 12 months, except for companies acquired during the financial year, for which the period depends on their date of entry into the consolidation scope, as well as sold companies, which are included in the financial statements up until their disposal date.

IV. EXPLANATION OF BALANCE SHEET AND INCOME STATEMENT ITEMS AND CHANGES THERETO

The tables below are an integral part of the consolidated financial statements.

1. Goodwill

The breakdown of goodwill is set out in the table below:

GOODWILL (in €k)	Value at 01/01/2016	Acquisitions	Disposals	Foreign exchange difference	Value at 31/12/2016
CGU 1 - OVERSEAS FREIGHT					
CLASQUIN ESPAÑA	1	-	-	-	1
CLASQUIN JAPAN	57	-	-	-	57
SECURE CUSTOMS BROKERS	3	-	-	-	3
CLASQUIN THAILAND	153	-	-	-	153
CLASQUIN CANADA	44	-	-	-	44
INTERCARGO	1,141	-	-	-	1,141
GÖRITZ AIRFREIGHT (GAF)	627	-	-	-	627
ECS US	1,925	-	-	67	1,992
LCI-CLASQUIN	10,137	-	-	-	10,137
ART SHIPPING INTERNATIONAL	-	711	-	-	711
SUB-TOTAL	14,089	711	-	67	14,867
CGU 2 - IT SERVICES					
LOG SYSTEM	108	-	-	-	108
TOTAL	14,197	711	-	67	14,975

The goodwill arising from the acquisition of ART SHIPPING INTERNATIONAL SAS amounted to €0.7m and was determined as follows:

ART SHIPPING INTERNATIONAL GROUP GOODWILL (in €k)	Historical value	Value adjustment	Value at 30/04/2016
Assets (excluding deferred tax assets)	758	-	758
Liabilities (excluding deferred tax liabilities)	(364)	(6)	(370)
Deferred tax	-	8	8
Net assets of Art Shipping International Group	393	2	396
Percentage acquired (100%)			396
Share acquisition cost			1,106
GOODWILL			711

It was allocated to CGU 1, "Overseas Freight".

Given that CLASQUIN SA owns 80% of ART SHIPPING INTERNATIONAL SAS, a put option over minority interests was calculated and accounted for using 2017-2018 projections, and was discounted at the rate of 2%. It has been decided that there will be no settlement before 30 June 2019.

Impairment test

As at 31 December 2016, the assumptions used to determine the discount rate for each CGU were as follows:

- a risk-free rate of 0.45%, which is the 2016 monthly average of the rate of 10-Year Constant Maturity Treasuries,
- a market risk premium of 6.2% (retrospective application over the long term), defined by referring to the risk premium required by investors on the small and mid-cap market,
- a specific risk rate ("beta"), which takes into account the activity of each subsidiary, its maturity, the existence (or not) of a portfolio of recurring business and the breakdown of clients in this portfolio, valued at 1.3% for the "Overseas Freight" CGU and 1.4% for the "IT Services" CGU.
- a financial cost rate of 2.5%.

Resulting in a WACC of 7.4% for "Overseas Freight" and 11.4% for "IT Services", and a perpetuity growth rate prudently set at 2%.

Sensitivity tests

Based on a combined deviation of +/- 1% from the assumptions used for the calculations (discount rate and growth rate), there is no impairment to be recorded. The growth rate after the reference period is 2%.

2. Intangible assets

Changes in intangible assets are presented in the following tables:

INTANGIBLE ASSETS (in €k)	01/01/2016	Change in consolidation scope	Increases	Reductions	Reclassification	Foreign exchange difference	31/12/2016
GROSS VALUE							
Software developed in-house	5,947	-	1,039	(344)	692	-	7,334
Other software	5,522	5	1,104	(206)	(692)	1	5,734
R&D costs and other assets	701	-	381	(25)	-	28	1,085
GROSS VALUE	12,170	5	2,524	(576)	-	29	14,154
AMORTISATION							
Software developed in-house	(3,747)	-	(592)	5	(661)	-	(4,995)
Other software	(4,799)	-	(468)	206	668	(1)	(4,395)
R&D costs and other assets	(570)	-	(103)	25	-	(12)	(660)
AMORTISATION	(9,115)	-	(1,164)	236	7	(13)	(10,050)
NET VALUE	3,055	5	1,360	(340)	7	16	4,104

CLASQUIN
Sydney

3. Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT (in €k)	01/01/2016	Change in consolidation scope	Increases	Reductions	Reclassification	Foreign exchange difference	31/12/2016
GROSS VALUE							
Buildings	2,138	2,220	-	-	-	73	4,431
Fixtures/fittings	2,820	61	293	(25)	-	18	3,167
Other PP&E	5,827	32	734	(189)	-	39	6,443
GROSS VALUE	10,786	2,313	1,026	(214)	-	130	14,041
DEPRECIATION							
Buildings	(275)	(978)	(129)	-	-	(12)	(1,394)
Fixtures/fittings	(1,701)	(53)	(341)	23	-	(16)	(2,087)
Other PP&E	(5,020)	(29)	(470)	164	(7)	(31)	(5,393)
DEPRECIATION	(6,996)	(1,060)	(940)	186	(7)	(60)	(8,875)
NET VALUE	3,790	1,254	86	(28)	(7)	71	5,167

The increase in 'Buildings' is due to the takeover of SCI LACHA.

The change in 'Other PP&E' mainly relates to investments in IT hardware in France.

Joseph,
CLASQUIN Shanghai

4. Securities and other financial assets

SECURITIES AND OTHER FINANCIAL ASSETS (in €k)	01/01/2016	Change in consolidation scope	Increases	Reductions	Reclassification	Foreign exchange difference	31/12/2016
GROSS VALUE							
Deposits and guarantees	879	9	125	(83)	-	7	936
Loans to non-consolidated companies	61	-	-	(61)	-	-	-
Other financial assets	78	-	2	(71)	-	-	10
GROSS VALUE	1,018	9	127	(216)	-	7	945
IMPAIRMENT							
Deposits and guarantees	-	-	-	-	-	-	-
Loans to non-consolidated companies	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
IMPAIRMENT	-	-	-	-	-	-	-
NET VALUE	1,018	9	127	(216)	-	7	945

Increases in 'Deposits and guarantees' mainly relate to Chile and the United States.

5. Trade and other receivables

These are broken down as follows:

BREAKDOWN (in €k)	Gross value at 31/12/2016	Gross value at 31/12/2015
Trade receivables	65,769	63,742
Client invoices to be issued	1,197	658
Other receivables	2,382	2,651
Tax receivables	1,015	728
TOTAL	70,363	67,779

6. Impairment of current assets

IMPAIRMENT (in €k)	Value at 01/01/2016	Change in consolidation scope	Charges	Write-backs	Reclassification	Foreign exchange difference	Value at 31/12/2016
Trade receivables	(1,820)	-	(486)	801	-	6	(1,498)
TOTAL	(1,820)	-	(486)	801	-	6	(1,498)

7. Cash and cash equivalents

BREAKDOWN (in €k)	Gross value at 31/12/2016	Gross value at 31/12/2015
Cash equivalents	212	146
Bank accounts and cash	22,281	20,297
TOTAL	22,493	20,443

8. Shareholder’s equity

8.1 BREAKDOWN OF SHARE CAPITAL

CLASQUIN SA's share capital amounts to €4,612,802 consisting of 2,306,401 shares with a par value of €2 each.

Additional paid-in capital amounts to €4,245k.

It should be noted that under a liquidity contract the CLASQUIN group buys back its own shares on the stock market (3,750 shares held at 31 December 2016).

This liquidity contract was agreed on 15 September 2009 with the service provider ODDO & Co.

In this respect, in 2016 CLASQUIN SA acquired 23,414 shares with a total value of €692k and a weighted average unit value of €29.58.

Over the same period, CLASQUIN SA sold 22,320 shares at a total sale value of €658k, representing a weighted average unit value of €29.46.

Transactions carried out on treasury shares were eliminated from the consolidated financial statements.

8.2 DIVIDENDS

The dividends paid by CLASQUIN SA to its shareholders amounted to €1,845k in 2015 and €2,883k in 2016 (€1.25 per share); the sum of €5,000 was deducted from the latter amount in relation to dividends on treasury shares held under the liquidity contract, leaving a net amount of €2,878k.

Karis,
CLASQUIN Shenzhen

9. Deferred tax

The recognition of deferred tax in the 2016 consolidated financial statements had the following impact, item by item:

DEFERRED TAX ASSETS (in €k)	Amount at 01/01/2016	Change in consolidation scope	Impact on profit	Impact on reserves	Foreign exchange difference	Amount at 31/12/2016
Intangible assets	19	-	20	-	1	40
Organic	18	-	(7)	-	-	11
Provision for pension payments	230	(2)	21	(104)	-	145
Financial instruments	-	-	2	55	-	57
Other temporary differences	488	6	135	-	16	644
Tax losses carried forward	494	-	438	-	-	932
DTA/DTL offset	(102)	-	-	-	-	(102)
TOTAL	1,147	4	609	(49)	17	1,728

DEFERRED TAX LIABILITIES (in €k)	Amount at 01/01/2016	Change in consolidation scope	Impact on profit	Impact on reserves	Foreign exchange difference	Amount at 31/12/2016
Accelerated depreciation	-	-	(2)	-	-	(2)
Intangible assets	(13)	-	4	-	-	(10)
Property, plant and equipment	-	(401)	15	-	-	(386)
Other temporary differences	(115)	-	(5)	8	1	(112)
DTA/DTL offset	102	-	-	-	-	102
TOTAL	(27)	(401)	12	8	1	(408)
NET	1,121	(397)	620	(42)	18	1,320

Unrecognised tax losses carried forward amounted to €1.2m in terms of tax base as at 31/12/2016; they represent about €0.3m of future tax savings.

Elva and Tina, CLASQUIN Beijing

10. Provisions

10.1 FIGURES

Changes in provisions can be broken down as follows:

PROVISIONS (in €k)	Amounts at 01/01/2016	Change in actuarial gains/losses	Change in consolidation scope	Charges	Reversals Used	Reversals Unused	Foreign exchange difference	Reclassification	Amounts at 31/12/2016
Provision for retirement benefits	1,000	(254)	6	110	(54)	-	9	-	816
Commercial disputes	61	-	-	18	(13)	(48)	-	-	19
Other provisions	18	-	-	-	(18)	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	1,079	(254)	6	128	(85)	(48)	8	-	835
Commercial disputes	18	-	-	18	(18)	-	-	-	18
Staff risks	8	-	-	128	-	-	-	-	136
Other provisions	-	-	-	30	-	-	-	-	30
TOTAL CURRENT PROVISIONS	26	-	-	175	(18)	-	-	-	183

Current provisions for staff risks mainly concern risks identified in Germany.

10.2 RETIREMENT BENEFITS

10.2.1 Figures at the end of 2016

These are summarised in the following tables:

PROVISION BY SUBSIDIARY	At 31/12/2016	At 31/12/2015
CLASQUIN SA	289	389
LOG SYSTEM	182	237
LCI-CLASQUIN	42	64
ART SHIPPING INTERNATIONAL	3	-
TOTAL FRANCE	516	690
CLASQUIN JAPAN	66	81
CLASQUIN ITALIA	98	91
INTERCARGO	63	63
CLASQUIN THAILAND	34	33
CLASQUIN VIETNAM	38	42
TOTAL	816	1,000

CHANGE IN THE PROVISION FOR PENSION PAYMENTS (France)	Present value of the unfunded liability	Actuarial gains/losses not recognised	Net balance sheet commitment	Recognition in the income statement	Recognition under items of other comprehensive income
At 01/01/2016	690	-	690	-	-
Change in consolidation scope	6	-	6	-	-
Cost of services rendered	59	-	59	59	-
Interest expenses	15	-	15	15	-
Services provided to employees	-	-	-	-	-
Unrecognised actuarial gains/losses	-	-	-	-	-
Net change in actuarial gains/losses	(254)	-	(254)	-	(254)
At 31/12/2016	516	-	516	75	(254)

The principal assumptions used for measuring employee benefit schemes are as follows (France):

PRINCIPAL ASSUMPTIONS	31/12/2016	31/12/2015
Discount rate for retirement benefits	1.31%	2.03%
Inflation rate	2.00%	2.00%
Salary increase rate	-	-
Employees and workers	2.00%	2.00%
Supervisory staff	2.50%	2.50%
Executives	3.00%	3.00%
Social security contribution rate	45.00%	45.00%
Mortality table	INSEE Men/Women 2002	INSEE Men/Women 2002
Staff turnover	-	-
Under-30 age group	9.70%	20.00%
30 to 39 age group	9.30%	8.00%
40 to 49 age group	6.00%	7.00%
50 to 55 age group	15.30%	2.00%
Over-55 age group	1.60%	0.50%

Retirement age depends on the year employees were born and their socio-professional category:

SPC	Age
Executives	64 years
Non-executives	-
Born before 01/01/1951	60 years
Born after 01/01/1951	62 years maximum

10.2.2 Sensitivity tests

Sensitivity tests were performed on our main assumptions, specifically the discount rate and staff turnover.

A deviation of +/- 0.5% in the discount rate would result in a deviation of around +/- 6% in the provision as at 31/12/2016.

10.2.3 Other information

Certain subsidiaries have a defined contribution plan and pay a sum to an external management fund. These subsidiaries are:

SUBSIDIARIES CONTRIBUTING TO A MANAGEMENT FUND	2016 expense (in €k)	2015 expense (in €k)
CLASQUIN AUSTRALIA (Superannuation)	37	30
CLASQUIN FAR EAST (MPF Contribution)	68	62
CLASQUIN KOREA (Retirement Allowance)	26	29

SUBSIDIARIES WITH NO COMMITMENT IN RESPECT OF RETIREMENT BENEFITS, PURSUANT TO THE LAWS OF THEIR COUNTRY	Headcount of the subsidiary at 31/12/2016	Headcount of the subsidiary at 31/12/2015
CLASQUIN CANADA	5	7
CLASQUIN ESPAÑA	11	11
CLASQUIN GERMANY	17	15
CLASQUIN INDIA	21	16
CLASQUIN MALAYSIA	10	10
CLASQUIN SHANGHAI	81	79
CLASQUIN SINGAPORE	14	12
CLASQUIN USA	16	13
SECURE CUSTOMS BROKERS	6	4
INTERCARGO	30	32
ECS US	25	28
LCI TUNISIE	8	8
CLASQUIN CHILE	9	-
CLASQUIN PORTUGAL	7	-

11. Loans and borrowings

11.1 BREAKDOWN BY TYPE AND MATURITY, CHANGES IN LOANS AND BORROWINGS

TYPE (amounts in €k)	Amounts at 01/01/2016	Change in consolidation scope	New loans	Foreign exchange difference	Loan repayments	Amounts at 31/12/2016	Less than 1 year	1-5 years	More than 5 years
Bank borrowings	19,124	-	6,690	80	(4,061)	21,833	5,444	14,490	1,899
Bank overdrafts	3,809	-	8,414	-	(3,809)	8,414	8,414	-	-
Other financial liabilities	2,761	174	396	23	(63)	3,292	95	659	2,538
TOTAL LOANS AND BORROWINGS	25,694	-	15,500	103	(7,932)	33,539	13,953	15,149	4,437
TOTAL LONG-TERM FINANCIAL LIABILITIES								19,586	
TOTAL SHORT-TERM FINANCIAL LIABILITIES							13,953		

New borrowings were mainly taken out in France and primarily by CLASQUIN SA and FINANCIÈRE LCI.

Other financial liabilities are mainly related to commitments to purchase minority interests in ECS US (€384k), FINANCIÈRE LCI (€2,520k) and ART SHIPPING INTERNATIONAL (€132k).

CLASQUIN
Ho Chi Minh

11.2 TYPE OF LOAN RATES AND BREAKDOWN PER CURRENCY

Some bank borrowings have a variable interest rate but can be hedged.

Moreover, the book value of financial liabilities is equal to their nominal value, since the contractual interest rates for variable-rate borrowings were those practised by the money market.

Foreign currency loans and borrowings are shown below for the main currencies:

BREAKDOWN OF LOANS & BORROWINGS BY CURRENCY (in €k)	Currencies	Rate type	Covenants	At 31/12/2016	At 31/12/2015
Bank borrowings	EUR	Fixed	no	20,377	17,742
Bank borrowings	HKD	Variable	no	757	804
Bank borrowings	JPY	Fixed	no	244	458
Bank borrowings	USD	Fixed	no	454	120
SUB-TOTAL OF MISCELLANEOUS BANK BORROWINGS				21,833	19,124
Bank overdrafts	EUR			8,414	3,809
SUB-TOTAL OF MISCELLANEOUS BANK OVERDRAFTS				8,414	3,809
Other financial liabilities	EUR			2,700	2,379
Other financial liabilities	USD			574	364
Other financial liabilities	HKD			19	18
SUB-TOTAL OF OTHER MISCELLANEOUS FINANCIAL LIABILITIES				3,292	2,761
TOTAL				33,539	25,694

12. Trade and other payables

These are broken down as follows:

BREAKDOWN (in €k)	Value at 31/12/2016	Value at 31/12/2015
Trade payables	36,167	40,603
Invoices to be received	13,694	10,103
Tax and welfare liabilities	7,485	7,328
Current tax payables	314	323
Other payables	1,974	1,347
TOTAL	59,633	59,704

CLASQUIN
Xiamen

13. Information on operating segments

As previously defined, the operating segments relate to:

- overseas freight (air, sea and other),
- IT services (LOG SYSTEM).

13.1 BALANCE SHEET AND INCOME STATEMENT BY OPERATING SEGMENT

13.1.1 Balance sheet assets

SEGMENT ASSETS (in €k)	Overseas Freight	IT Services LOG SYSTEM	Inter-segment eliminations	CLASQUIN group
Goodwill	14,866	108	-	14,974
Intangible assets	4,053	77	(26)	4,104
Property, plant and equipment	5,147	39	(19)	5,167
Other financial assets	945	1	-	945
Investments in equity affiliates	96	-	-	96
Deferred tax	1,666	45	16	1,728
TOTAL NON-CURRENT ASSETS	26,773	270	(28)	27,014
Trade and other receivables	64,561	959	(53)	65,467
Other current assets	2,382	1	-	2,382
Tax receivables	976	39	-	1,015
Cash and cash equivalents	22,105	388	-	22,493
TOTAL CURRENT ASSETS	90,023	1,387	(53)	91,357
TOTAL SEGMENT ASSETS	116,796	1,657	(82)	118,372

13.1.2 Balance sheet liabilities

SEGMENT LIABILITIES AND SHAREHOLDERS' EQUITY (in €k)	Overseas Freight	IT Services LOG SYSTEM	Inter-segment eliminations	CLASQUIN group
Share capital				4,613
Additional paid-in capital				4,245
Reserves				9,766
Profit/loss				2,173
SHAREHOLDERS' EQUITY - GROUP SHARE				20,798
SHAREHOLDERS' EQUITY - MINORITY INTERESTS				2,976
TOTAL SHAREHOLDERS' EQUITY	-	-	-	23,773
Deferred tax	408	-	-	408
Non-current provisions	653	182	-	835
Long-term financial liabilities	19,586	-	-	19,586
TOTAL NON-CURRENT LIABILITIES	20,646	182	-	20,829
Current provisions	183	-	-	183
Short-term financial liabilities	13,953	-	-	13,953
Trade and other payables	49,780	136	(55)	49,861
Tax and welfare liabilities	6,878	607	-	7,485
Current tax payables	314	-	-	314
Other current liabilities	1,840	134	-	1,974
TOTAL CURRENT LIABILITIES	72,948	877	(55)	73,770
TOTAL SEGMENT LIABILITIES	93,595	1,059	(55)	94,598
TOTAL SEGMENT LIABILITIES AND SHAREHOLDERS' EQUITY	93,595	1,059	(55)	118,372

13.1.3 Income statement

SEGMENT INCOME STATEMENT (in €k)	Overseas Freight	IT Services LOG SYSTEM	Inter-segment eliminations	CLASQUIN Group
SALES	233,785	2,996	(1,756)	235,024
Cost of sales	(177,379)	(453)	307	(177,525)
GROSS PROFIT	56,405	2,543	(1,449)	57,500
Other purchases and external charges	(12,518)	(442)	650	(12,310)
Taxes and duties	(684)	(38)	-	(722)
Staff expenses	(36,297)	(1,827)	761	(37,363)
Net depreciation, amortisation & provisions	(1,932)	(68)	35	(1,965)
Other current income	904	4	-	908
Other current expenses	(856)	(3)	-	(859)
CURRENT OPERATING INCOME	5,023	169	(3)	5,188
Other operating income	78	-	-	78
Other operating expenses	(638)	(30)	-	(668)
OPERATING INCOME	4,462	139	(3)	4,598
Net cost of debt	(168)	-	-	(168)
Other financial income	771	-	-	771
Other financial expenses	(1,112)	(5)	-	(1,117)
Income from equity affiliates	55	-	-	55
PROFIT BEFORE TAX	4,009	134	(3)	4,139
Income tax	(1,464)	(42)	(1)	(1,507)
PROFIT FROM CONTINUING OPERATIONS	2,544	92	(4)	2,632
PROFIT FROM DISCONTINUED OPERATIONS	-	-	-	-
GROUP CONSOLIDATED NET PROFIT	2,544	92	(4)	2,632
Minority interests	432	27	(1)	459
NET PROFIT GROUP SHARE	2,112	65	(4)	2,173

13.2 "OVERSEAS FREIGHT" OPERATING SEGMENT: GROSS PROFIT BREAKDOWN

13.2.1 Breakdown of "Overseas Freight" segment gross profit by geographical area

GROSS PROFIT BY GEOGRAPHICAL AREA (in €k)	2016		2015		*2016/2015 change* (1)	
	in €k	in %	in €k	in %	*in €k*	*in %*
France	31,356	52.5%	28,851	50.4%	*2,505*	*8.7%*
- Including LCI-CLASQUIN and SCI LACHA	*6,604*	*11.0%*	*4,481*	*7.8%*	*-*	*-*
EMEA (excluding France)	6,654	11.1%	6,772	11.8%	*(118)*	*-1.7%*
Asia-Pacific	15,447	25.8%	15,995	27.9%	*(548)*	*-3.4%*
Americas	6,309	10.6%	5,650	9.9%	*659*	*11.7%*
TOTAL FOR ALL COMPANIES BEFORE CONSOLIDATION ENTRIES	59,767	100.0%	57,268	100.0%	*2,499*	*4.4%*
Consolidation entries	(3,361)	-	(2,714)	-	*(647)*	*23.9%*
TOTAL OVERSEAS FREIGHT	56,405	-	54,554	-	*1,851*	*3.4%*

(1) At current exchange rates

13.2.2 Breakdown of "Overseas Freight" segment gross profit by business line

GROSS PROFIT BY BUSINESS LINE (in €k)	2016		2015		*2016/2015 change* (1)	
	in €k	in %	in €k	in %	*in €k*	*in %*
Air freight	18,432	32.7%	19,102	35.0%	*(670)*	*-3.5%*
Sea freight	27,662	49.0%	27,812	51.0%	*(150)*	*-0.5%*
Other	10,311	18.3%	7,640	14.0%	*2,671*	*35.0%*
TOTAL OVERSEAS FREIGHT	56,405	100.0%	54,554	100.0%	*1,851*	*3.4%*

(1) At current exchange rates

13.3 GROUP SALES AND GROSS PROFIT BY CURRENCY, WITH FOREIGN CURRENCY IMPACT

13.3.1 Group sales breakdown by currency

SALES BY CURRENCY (in €k)	2016		2015	
	in €k	in %	in €k	in %
EURO	174,066	61.1%	172,894	60.3%
USD/HKD	48,273	16.9%	49,164	17.1%
CNY	26,792	9.4%	31,147	10.9%
YEN	9,972	3.5%	10,724	3.7%
OTHER	25,789	9.1%	22,890	8.0%
TOTAL BEFORE CONSOLIDATION ENTRIES	284,892	100.0%	286,819	100.0%
Consolidation entries	(49,868)	-	(52,613)	-
TOTAL AFTER CONSOLIDATION ENTRIES	235,024	-	234,206	-

13.3.2 Impact of foreign exchange rates on Group sales

IMPACT OF EXCHANGE RATES ON SALES (in €k)	2016	2015	*Change*	%
At current exchange rates	235,024	234,206	*818*	0.3%
At constant exchange rates	235,498	234,206	*1,292*	0.6%
DIFFERENCE	-	-	*474*	0.2%

13.3.3 Breakdown of Group gross profit by currency

GROSS PROFIT BY CURRENCY (in €k)	2016		2015	
	in €k	in %	in €k	in %
EURO	40,260	64.6%	37,923	63.4%
USD/HKD	10,204	16.4%	9,904	16.6%
CNY	4,436	7.1%	5,368	9.0%
YEN	1,951	3.1%	1,830	3.1%
OTHER	5,458	8.8%	4,786	8.0%
TOTAL BEFORE CONSOLIDATION ENTRIES	62,310	100.0%	59,811	100.0%
Consolidation entries	(4,810)	-	(4,193)	-
TOTAL AFTER CONSOLIDATION ENTRIES	57,500	-	55,618	-

13.3.4 Impact of foreign exchange rates on Group gross profit

IMPACT OF EXCHANGE RATES ON GROSS PROFIT (in €k)	2016	2015	*Change*	%
At current exchange rates	57,500	55,618	*1,882*	3.4%
At constant exchange rates	57,687	55,618	*2,069*	3.7%
DIFFERENCE	-	-	*187*	0.3%

14. Breakdown of other operating income and expenses

Other operating income and expenses may be broken down as follows:

BREAKDOWN OF OTHER OPERATING INCOME AND EXPENSES (in €k)	2016	2015
Income from asset disposals	3	11
Other non-recurring income	75	102
OTHER OPERATING INCOME	78	113
Net values of assets disposed of or retired	(367)	(481)
Other non-recurring expenses	(301)	(32)
OTHER OPERATING EXPENSES	(668)	(513)

15. Net financial income/expense

Net financial income/expense can be broken down as follows:

BREAKDOWN OF NET FINANCIAL INCOME/EXPENSE (in €k)	2016	2015
Gross cost of debt	(251)	(217)
Income from cash and cash equivalents	84	22
NET COST OF DEBT	(168)	(195)
Foreign exchange gains	770	1,475
Other financial income	1	13
OTHER FINANCIAL INCOME	771	1,488
Provision for impairment of investments in equity affiliates	(100)	-
Provisions for financial risk	(15)	(10)
Foreign exchange losses	(997)	(1,462)
Other financial expenses	(5)	-
OTHER FINANCIAL EXPENSES	(1,117)	(1,472)
NET FINANCIAL INCOME/EXPENSE	(514)	(179)

16. Income tax

16.1 INCOME TAX BREAKDOWN

Income tax for the year ended 31 December 2016 is broken down as follows:

- €2,130k of current tax payables, compared to €2,116k published in 2015,
- €623k deferred tax income from tax loss carry-forwards and deferred depreciation, or relating to temporary differences, for both French and foreign companies. The amount recognised at 31 December 2015 was €177k.

CLASQUIN
Porto

16.2 TAX RECONCILIATION

TAX RECONCILIATION	2016	2015
Consolidated net profit	2,632	3,983
Income tax	(1,507)	(1,939)
Profit before tax	4,139	5,922
THEORETICAL TAX EXPENSE (AT 33.33%)	(1,380)	(1,974)
TAX EXPENSE RECOGNISED	(1,507)	(1,939)
TAX DIFFERENCE TO ANALYSE (1)	128	(35)

(1) The difference between the income tax in the income statement and the theoretical tax which would be incurred on the basis of the rate in force in France can be analysed as follows:

ANALYSIS OF THE TAX DIFFERENCE	2016	2015
Difference in rate for foreign companies	(124)	(273)
Unrecognised tax losses for the financial year	190	41
Use of previously unrecognised tax losses	(29)	(76)
Items taxed at different rates, tax credits & other items	(112)	(114)
Differences related to French business value added tax (CVAE)	252	268
Discontinued operations	-	59
Permanent differences	(49)	60
TOTAL	128	(35)

In accordance with treatment permitted by the National Accounting Committee, since 2011 the CLASQUIN group has classified French business value added tax (CVAE) on the tax line of the income statement. This sum amounts to €377k (€393k in 2015). On the other hand, deferred tax liabilities have been recognised, amounting to €42k at 31 December 2016. The impact is found in the 'Taxes due on permanent differences' section of the tax analysis.

John and Deben,
CLASQUIN Singapore

17. Earnings per share

The Company calculates basic earnings per share and fully diluted earnings per share.

Earnings per share do not take into account potential shares. It is calculated on the basis of the weighted average number of shares outstanding over the financial year.

Diluted earnings per share takes into account dilutive instruments outstanding at the end of the financial year.

EARNINGS PER SHARE	2016	2015
NET PROFIT FROM CONTINUING OPERATIONS - GROUP SHARE (IN €k)	2,173	3,901
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS - GROUP SHARE (IN €k)	-	(555)
CONSOLIDATED NET PROFIT - GROUP SHARE (IN €k)	2,173	3,346
Number of weighted ordinary shares at the start of the year	2,306,401	2,306,401
Treasury shares held at year-end	(3,750)	(2,656)
Number of weighted ordinary shares in circulation	2,302,651	2,303,745
NET EARNINGS PER SHARE - CONTINUING OPERATIONS (IN €) (1)	0.94	1.69
NET EARNINGS PER SHARE - DISCONTINUED OPERATIONS (IN €) (1)	0.00	-0.24
NET EARNINGS PER SHARE (IN €) (1)	0.94	1.45
Dilutive instruments (convertible shares)	-	-
Number of weighted ordinary shares outstanding including potential dilutive instruments	2,302,651	2,303,745
NET DILUTED EARNINGS PER SHARE - CONTINUING OPERATIONS (IN €) (1)	0.94	1.69
NET DILUTED EARNINGS PER SHARE - DISCONTINUED OPERATIONS (IN €) (1)	0.00	-0.24
NET DILUTED EARNINGS PER SHARE (IN €) (1)	0.94	1.45

(1) Calculated based on the number of shares outstanding minus the number of treasury shares.

18. Commitments and guarantees

18.1 GUARANTEES

Commitments made by CLASQUIN SA in the form of guarantees to financial organisations in return for cash advances, or as a guarantee to third parties, are summarised in the table below:

GUARANTEES (in €k)	31/12/2016	31/12/2015
... given by CLASQUIN SA on behalf of its SUBSIDIARIES:		
CLASQUIN AUSTRALIA	151	148
CLASQUIN FAR EAST	1,009	975
CLASQUIN GERMANY	355	355
CLASQUIN ITALIA	100	100
CLASQUIN JAPAN	406	381
CLASQUIN MALAYSIA	64	64
CLASQUIN PORTUGAL	50	-
CLASQUIN SHANGHAI	1,192	1,234
CLASQUIN SINGAPORE	253	152
CLASQUIN THAILAND	85	85
CLASQUIN VIETNAM	86	101
ECS US	475	459
... given by CLASQUIN SA on behalf of CLASQUIN PERFORMANCES EMPLOYEE INVESTMENT FUND:	1,000	600
... given by CLASQUIN SA on behalf of AIR FRANCE CARGO:	12	12
... given by CLASQUIN FAR EAST on behalf of CHINA CONSTRUCTION BANK:	981	749
TOTAL	6,218	5,415

Certain changes can be explained by exchange rate variations impacting guarantees in foreign currencies.

18.2 OPERATING LEASE COMMITMENTS

These are set out in the table below:

CONTRACTUAL OBLIGATIONS (in €k)	Total 31/12/2016	1 year	More than 1 year	31/12/2015
Operating leases	3,526	1,683	1,843	2,278
TOTAL	3,526	1,683	1,843	2,278

18.3 ASSET/LIABILITY GUARANTEES

Asset/liability guarantees applicable as at 31 December 2016 are set out below:

DESCRIPTION	Received/ given	Purpose	Start date	End date	Beneficiary	Limit amount
Acquisition of INTERCARGO shares	Received	Normal statutory, financial, tax and operating guarantees	04/09/2012	03/03/2017	CLASQUIN SA & INTERCARGO	€1,775k
Acquisition of shares of GARNETT LOGISTICS GROUP INC. (ECS US)	Received	Normal statutory, financial, tax and operating guarantees	24/09/2014	31/12/2017	CLASQUIN SA in its own name and in that of the Group companies, including the ECS US GROUP companies	$840k
Acquisition of shares of GÖRITZ AIRFREIGHT GmbH	Received	Normal statutory, financial, tax and operating guarantees	30/09/2014	31/12/2018	CLASQUIN GERMANY in its own name and in that of the Group companies	No ceiling
Acquisition of LCI-CLASQUIN shares	Received	Normal statutory, financial, tax and operating guarantees	31/03/2015	31/03/2019 excl. tax, employment and customs claims (statutory requirements)	FINANCIÈRE LCI and LCI-CLASQUIN group subsidiaries	€ 2.4m until 31/03/2017 then € 1.6m until 31/03/2018 then € 800k until 31/03/2019
Acquisition of AWC JFK	Received	Normal statutory, financial, tax and operating guarantees	01/02/2016	01/08/2018	SECURE CUSTOM BROKERS	US$200k
Acquisition of shares of ART SHIPPING INTERNATIONAL SAS	Received	Normal statutory, financial, tax and operating guarantees	04/05/2016	30/04/2019 excl. tax, employment and customs claims (statutory requirements)	CLASQUIN SA	€ 56k until 30/04/2017 then € 37k until 30/04/2018 then € 19k until 30/04/2019
Disposal of shares of FINANCIÈRE GUEPPE SAS	Given	Normal statutory, financial, tax and operating guarantees	28/12/2015	28/12/2018 excl. tax claims (statutory requirements)	TRANSPORT ALAINÉ	70% of €400k

19. Other information

19.1 HEADCOUNT BREAKDOWN, EMPLOYEE INCENTIVE SCHEME AND PROFIT-SHARING

The number of employees in fully consolidated companies as at 31 December 2016 is shown in detail in the following table (including corporate officers):

19.1.1 Headcount: breakdown by geographical area

HEADCOUNT BY GEOGRAPHICAL AREA	31/12/2016			31/12/2015			*2016/2015 change*	
	Number	%	% total	Number	%	% total	*Number*	*%*
France (excl. LOG SYSTEM)	294	42.7%	41.1%	274	42.5%	40.7%	*20*	*7.3%*
EMEA (excluding France)	85	12.4%	11.9%	77	11.9%	11.4%	*8*	*10.4%*
Asia-Pacific	248	36.0%	34.6%	242	37.5%	35.9%	*6*	*2.5%*
Americas	61	8.9%	8.5%	52	8.1%	7.7%	*9*	*17.3%*
TOTAL EXCL. LOG SYSTEM	**688**	**100.0%**	**96.1%**	**645**	**100.0%**	**95.7%**	***43***	***6.7%***
LOG SYSTEM	28	-	3.9%	29	-	4.3%	*(1)*	*-3.4%*
TOTAL	**716**	**-**	**100.0%**	**674**	**-**	**100.0%**	***42***	***6.2%***

19.1.2 Headcount: breakdown by function

HEADCOUNT BY FUNCTION	31/12/2016			31/12/2015			2016/2015 change	
	Number	%	% total	Number	%	% total	Number	%
Operations	439	63.8%	61.3%	408	63.3%	60.5%	31	7.6%
Sales staff	106	15.4%	14.8%	99	15.3%	14.7%	7	7.1%
Back office	90	13.1%	12.6%	91	14.1%	13.5%	(1)	-1.1%
Country & Profit Centre Managers	53	7.7%	7.4%	47	7.3%	7.0%	6	12.8%
TOTAL EXCL. LOG SYSTEM	688	100.0%	96.1%	645	100.0%	95.7%	43	6.7%
LOG SYSTEM	28	-	3.9%	29	-	4.3%	(1)	-3.4%
TOTAL	716		100.0%	674		100.0%	42	6.2%

19.1.3 Employee incentive scheme and profit-sharing

The cost of the incentive scheme applicable at CLASQUIN SA was €1,106k for 2016 versus €1,151k for the previous year.

The cost of the incentive scheme applicable at LOG SYSTEM SARL was €71k for 2016 versus €52k for 2015.

At 31 December 2016, as at 31 December 2015, CLASQUIN SA did not carry out a mandatory profit-sharing distribution.

19.2 DIRECTORS

Directors include those persons having authority and responsibility for planning, managing and controlling the activities of the entity, directly or indirectly, including both executive and non-executive board members of this entity.

19.2.1 Remuneration paid to members of administrative and management bodies

The remuneration paid to members of administrative and management bodies amounted to €1,223k for 2016, including €20k of benefits in kind. This comprised remuneration under employment contracts and for corporate office.

Within the CLASQUIN group, no deferred benefits such as share-based payments or non-competition indemnities are granted to current or former members of the administrative and management bodies.

19.2.2 Commitments for pensions and similar benefits

Besides the statutory retirement benefits, no other long-term post-employment benefits such as employment contract termination benefits or an additional retirement plan are granted.

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Bremen

19.3 STATUTORY AUDITORS' FEES

The fees paid by the CLASQUIN group to the statutory auditors and members of their networks for the 2016 financial year are set out in the following table:

FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS (in €k)	SEGECO AUDIT		MAZARS		PAN-CHINA (HK) CPA LTD		DUROZOY	
	2016	2015	2016	2015	2016	2015	2016	2015
AUDIT								
Statutory audit	-	-	-	-	-	-	-	-
Parent company:	*33*	*32*	*33*	*32*	-	-	-	-
Fully consolidated subsidiaries:	*44*	*41*	*103*	*72*	*14*	*13*	-	*8*
Discontinued operations:	-	*8*	-		-		-	-
Other audits	-	-	-	-	-	-	-	-
Parent company:	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries:	-	-	-	-	-	-	-	-
SUB-TOTAL:	77	81	136	104	14	13	0	8
OTHER SERVICES								
Legal, tax, employment:	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-
SUB-TOTAL:	-	-	-	-	-	-	-	-
TOTAL	77	81	136	104	14	13	0	8

19.4 KEY FINANCIAL INDICATORS

KEY FINANCIAL INDICATORS (in €k)	2016	%	2015	%	*Change (%)*
SALES	235,024	-	234,206	-	*0.3%*
COST OF SALES	(177,525)	-	(178,588)	-	*-0.6%*
GROSS PROFIT	57,500	100.0%	55,618	100.0%	*3.4%*
Premises and related expenses	(4,724)	-8.2%	(4,201)	-7.6%	*12.4%*
Communication expenses	(1,876)	-3.3%	(1,673)	-3.0%	*12.1%*
Marketing	(940)	-1.6%	(854)	-1.5%	*10.1%*
Travel expenses	(2,252)	-3.9%	(2,275)	-4.1%	*-1.0%*
Fees	(1,278)	-2.2%	(1,314)	-2.4%	*-2.7%*
Insurance	(871)	-1.5%	(957)	-1.7%	*-9.0%*
Sundry	(494)	-0.9%	(579)	-1.0%	*-14.6%*
TOTAL EXTERNAL EXPENSES	(12,435)	-21.6%	(11,853)	-21.3%	*4.9%*
ADDED VALUE	45,064	78.4%	43,765	78.7%	*3.0%*
Staff expenses	(37,960)	-66.0%	(35,525)	-63.9%	*6.9%*
EBITDA	7,104	12.4%	8,240	14.8%	*-13.8%*
Net depreciation, amortisation and provisions	(1,965)	-3.4%	(1,746)	-3.1%	*12.5%*
Other current income	908	1.6%	1,104	2.0%	*-17.8%*
Other current expenses	(859)	-1.5%	(909)	-1.6%	*-5.5%*
CURRENT OPERATING INCOME	5,188	9.0%	6,689	12.0%	*-22.4%*
Other operating income	78	0.1%	113	0.2%	*-31.3%*
Other operating expenses	(668)	-1.2%	(513)	-0.9%	*30.2%*
NET TOTAL	(590)	-1.0%	(400)	-0.7%	*47.6%*
OPERATING INCOME	4,598	8.0%	6,289	11.3%	*-26.9%*
Financial income	855	1.5%	1,510	2.7%	*-43.4%*
Financial expenses	(1,369)	-2.4%	(1,689)	-3.0%	*-19.0%*
NET FINANCIAL INCOME/EXPENSE	(514)	-0.9%	(179)	-0.3%	*187.1%*
Income from equity affiliates	55	0.1%	66	-	-
PROFIT BEFORE TAX	4,139	7.2%	6,176	11.1%	*-33.0%*
Income tax	(1,507)	-2.6%	(1,939)	-3.5%	*-22.3%*
PROFIT FROM CONTINUING OPERATIONS	2,632	4.6%	4,237	7.6%	*-37.9%*
PROFIT FROM DISCONTINUED OPERATIONS	-	0.0%	(254)	-0.5%	*-100.0%*
GROUP CONSOLIDATED NET PROFIT	2,632	4.6%	3,983	7.2%	*-33.9%*
Minority interests	459	0.8%	637	1.1%	*-28.0%*
NET PROFIT GROUP SHARE	2,173	3.8%	3,346	6.0%	*-35.0%*
GROSS OPERATING CASH FLOW	5,399	9.39%	7,794	14.01%	*-30.73%*

19.5 POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

19.6 RELATED PARTIES

Transactions with non-consolidated related parties are summarised in the table below:

RELATED PARTY TRANSACTIONS (in €k)	TOTAL		SARL TIM LANEA*		SARL GUEPPE FINANCE ET GESTION*		SCI CHALAROGUE*		SCI HERA*		SCI DE LA LOUVE		OLYMP SAS		SCI CALLIOPE		SCI MAIALYS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
TRADE RECEIVABLES	23	24	-	-	-	-	-	-	-	1	5	5	1	0	7	13	9	5
TRADE PAYABLES	8	13	-	-	-	-	-	-	-	-	-	-	-	13	8	-	-	-
Management fees	132	718	-	-	-	586	-	-	-	-	-	-	132	132	-	-	-	-
Other external expenses	567	888	-	44	-	-	-	243	-	58	191	189	-	-	165	156	211	198
TOTAL OPERATING EXPENSES	699	1,606	-	44	-	586	-	243	-	58	191	189	132	132	165	156	211	198
OPERATING INCOME	37	33	-	-	-	-	-	-	-	1	4	4	27	17	2	4	4	7

*Companies related to the FINANCIÈRE GUEPPE sub-group sold on 28 December 2015.

CLASQUIN
Hong Kong

V. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks:

- credit risk,
- liquidity risk,
- market risk.

1. Credit risk

Credit risk refers to the risk that a client or counterparty to a financial instrument will default on its contractual obligations, resulting in financial loss for the Group. This risk mainly concerns trade receivables.

CLASQUIN group has a diversified client portfolio where no single client accounts for more than 5% of the Group's consolidated gross profit for the 2016 financial year. The CLASQUIN offer targets all business sectors and in particular SMEs developing international business and large groups looking for customised services. The loss of a client is not likely to have a material impact on CLASQUIN's sales, given the diversity of the portfolio and the respective contribution of each client to the Group's sales.

Each logistics operation is subject to a transport contract. In general, there are few formalised annual commitments, although some key accounts use calls for tenders.

Moreover, due to its activity as a freight forwarder, in France the CLASQUIN group has right of lien over the goods that it handles. This right serves to reduce the risks of non-payment for services rendered.

In general, each client is covered by credit guarantee insurance issued by COFACE or SFAC. This requirement means that financially sound clients can be selected, which helps to reduce the risk of default. However the Group cannot exclude the possibility of working with a company which, despite approval by COFACE or SFAC, finds itself, at any given time, faced with serious cash flow problems, causing it to cease trading.

In this case, COFACE or SFAC will pay compensation to the CLASQUIN group in accordance with the portion stipulated in the contract. In certain cases, the Group may work with customers not covered by the credit guarantee insurance companies mentioned above. However, these cases are subject to prior authorisation by Management on the basis of additional financial analysis.

CLASQUIN
New-Delhi

1.1 EXPOSURE TO CREDIT RISK

The book value of the financial assets represents the maximum exposure to credit risk. It is set out in the table below:

EXPOSURE TO CREDIT RISK (in €k)	Book value													
	AT 31/12/2016							AT 31/12/2015						
	TOTAL	EURO	USD/HKD	JYE	CNY	USD	Other	TOTAL	EURO	USD/HKD	JYE	CNY	USD	Other
Loans, deposits, guarantees and trade receivables	66,412	49,528	3,295	1,148	3,139	3,835	5,468	63,598	50,346	3,204	964	2,770	3,043	3,271
Forward currency contracts used for hedging	1,100	-	430	240	430	-	-	2,050	-	850	480	720	-	-
TOTAL	67,512	49,528	3,725	1,388	3,569	3,835	5,468	65,648	50,346	4,054	1,444	3,490	3,043	3,271

1.2 IMPAIRMENT

The table below gives a breakdown of doubtful and risk-free trade receivables:

IMPAIRMENT (in €k)	Book value	
	AT 31/12/2016	AT 31/12/2015
Risk-free trade receivables	64,201	61,837
Doubtful trade receivables (gross)	1,567	1,905
Provision for doubtful receivables	(1,499)	(1,820)
NET TRADE RECEIVABLES	64,270	61,922

INTERCARGO
Barcelona

2. Liquidity risk

CLASQUIN group invests primarily in IT accessories (hardware and software) and fixtures and fittings.

Investments are financed through medium- and long-term loans or with equity.

Working capital is financed by the CLASQUIN group's cash flow and occasionally by bank overdrafts.

Working capital is subject to significant changes throughout the year due to monthly payments of customs duties and VAT to the Customs Authorities and due to the Cargo Accounting Settlement System (C.A.S.S.), an organisation that groups together airline companies in order to simplify billing and payments between airlines and freight forwarders.

No CLASQUIN group loans are subject to bank covenants.

The remaining contractual maturity for financial liabilities is detailed in the table below:

REMAINING MATURITY FOR FINANCIAL LIABILITIES (in €k)	Book value at 31/12/2016	Contractual cash flow	1 year	1 to 2 years	2 to 5 years	Over 5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank loans	21,833	21,833	5,444	8,648	5,841	1,899
Other non-current liabilities	3,292	3,292	95	659	-	2,538
Trade payables and other current liabilities	59,633	59,633	59,633	-	-	-
Bank overdrafts	8,414	8,414	-	-	-	-

3. Market risk

Market risk refers to the risk of variations in market prices, such as exchange rates and interest rates, substantially affecting the Group's results.

3.1 INTEREST RATE RISK

The loans taken out by the CLASQUIN group can be arranged at a fixed or variable rate of interest (see table in paragraph 11.2 of chapter "E.IV - Explanation of balance sheet and income statement items and changes thereto").

Depending on trends in market rates, the Group can set up hedging mechanisms at any moment on its own initiative.

3.2 CURRENCY RISKS

The euro is the currency used by the CLASQUIN group for preparing its financial statements and for all invoicing between subsidiaries. The currency risk is thus essentially borne by the subsidiaries based outside the euro zone. The Group also develops a policy of monthly exchange rate hedging on subsidiaries which generate considerable exchange flows.

The Group has also set up a "Clearing Office" which centralises all settlements between the various entities. In this way, a given entity's exposure to currency risk can be essentially summed up as the risk applicable to an offset balance of receivables and payables with all of the other Group entities. The currency risk is therefore easier to measure.

Given that the CLASQUIN group engages in an international business activity, exchange rate fluctuations could have an adverse impact on the profits of its subsidiaries situated outside the euro zone, which are insufficiently or not hedged, considering their import and/or export flows, and thus on the financial position and profits of the CLASQUIN group.

For information on the main exchange rates applied during the financial year, see the table in paragraph 2.2 of chapter "E.II. - Financial reporting framework, consolidation procedure, valuation methods and rules".

3.3 EQUITY RISK

Neither the CLASQUIN group nor the Group companies hold third-party share portfolios or units in equity mutual funds, cash investments essentially being made in monetary unit trusts or interest-bearing accounts.

Variations in the CLASQUIN share price have no effect on the Group's net earnings, treasury shares being offset by shareholders' equity.

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

To the shareholders,

In accordance with the mission entrusted to us at your Annual General Meetings, we hereby present our report for the financial year ended 31 December 2016, on:

- the audit of the consolidated financial statements of CLASQUIN S.A., as presented with this report,
- the justification of our assessments,
- the specific testing required by law.

The consolidated financial statements were approved by the Board of Directors. It is our duty to express an opinion on these statements, on the basis of our audit.

Opinion on the consolidated financial statements

We carried out our audit according to the professional standards applicable in France; these standards require that we perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free of any material misstatements. An audit involves the review, by way of sample tests or other means, of the documents underlying the information set forth in the consolidated financial statements. It also includes an assessment of the accounting policies applied and any material estimates made in drawing up the financial statements, as well as an assessment of the presentation thereof as a whole. We believe that the evidence we have received provides a reasonable basis for our opinion.

We certify that, in accordance with the IFRS framework as adopted in the European Union, the consolidated financial statements for the financial year provide a true and fair view of the assets, liabilities, financial position and earnings of all companies and entities included in the consolidation.

Justification of assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we wish to bring the following to your attention:

At every balance sheet date, the Company carries out impairment tests for goodwill and assets with an indefinite useful life, pursuant to the procedures set forth in note E.II.3.5.2 in the notes to the consolidated financial statements. As part of our assessments, we examined the merits of the approach used, the manner in which the impairment tests were carried out and the consistency between all the assumptions used and the resulting valuations.

The assessments carried out as a consequence are within the framework of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to forming our opinion as expressed in the first part of this report.

Specific testing

In accordance with professional standards applicable in France, we also carried out the specific testing, required by law, of the information contained in the Group management report.

We have no comments to make regarding its accuracy and whether it concurs with the information presented in the consolidated financial statements.

Executed in Lyon and Villeurbanne on 26 April 2017.

The Statutory Auditors:

MAZARS	SEGECO AUDIT
Paul-Armel JUNNE	Alain DESCOINS

CLASQUIN
WMCM 2016

Management report & Text of resolutions

Akihiko and Markus,
CLASQUIN Düsseldorf

Notes to the financial statements

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I. BOARD OF DIRECTORS MANAGEMENT REPORT

on the financial statements for the year ended 31 December 2016

Dear Shareholders,

We have called you to this Combined General Meeting, pursuant to the Company's articles of association and the law governing commercial companies, to:

- report on the operations of our Company, its subsidiaries and the CLASQUIN group for the financial year ended 31 December 2016, as well as the results of these operations and the outlook for the future,
- submit for your approval the balance sheet, the company and consolidated financial statements of said financial year and the recommended appropriation of earnings,
- recommend that you approve the allocation of directors' fees,
- recommend that you authorise the Board of Directors to buy back the Company's shares and reduce the share capital by cancelling treasury shares,
- recommend that you authorise the Company to increase the share capital by issuing any type of security, with or without preferential subscription rights, as applicable, with delegation to the Board for the purpose of deciding said issues,
- recommend that you authorise the Company to increase its share capital without preferential subscription rights by private placement pursuant to the provisions of Article L. 225-136 of the French Commercial Code, with delegation to the Board for the purpose of deciding said issues,
- recommend that you authorise the Board of Directors to increase the number of securities to be issued as part of a capital increase if a surplus of subscription requests is received, pursuant to the provisions of Article L.225-135-1 of the French Commercial Code,
- recommend that you adopt a resolution pursuant to the law on employee savings schemes.

CLASQUIN
Ho Chi Minh

A. Business overview of the CLASQUIN group, CLASQUIN SA and its subsidiaries

1. CLASQUIN GROUP

INTRODUCTION

The strengthening and overhaul of the Group's management team have been a genuine success and provide a springboard for stepping up our development strategy in the years ahead.

This is the primary factor that made 2016 a year of great transformation.

Also in 2016:

- **Agreement signed on 28 July with software publisher WISETECH (global leader in the sector) to replace our current Transport Management System (TMS).**
- Upgraded IT architecture and organisation.

Finally, the year also saw investments for growth:

- CLASQUIN BANGALORE opening in January 2016,
- Small New York-based customs brokerage business acquired in February 2016 (GP: €0.4m),
- ART SHIPPING acquisition in May 2016, a Paris-based company specialised in the transportation of artwork (GP: €0.7m),
- CLASQUIN PORTUGAL opening in October 2016 with one office in Lisbon and one in Porto,
- CLASQUIN CHILE opening in November 2016 with an office in Santiago.

CONSOLIDATED	2016	% GP	2015	% GP	2016 v 2015 (at current scope and exchange rates)
Number of shipments	221,990	-	207,931	-	+6.8%
Sales (€m)[1]	235.0	-	234.2	-	+0.3%
Gross profit (€m)	57.5	100.0%	55.6	100.0%	+3.4%
Current operating income (€m)	5.2	9.0%	6.7	12.0%	-22.4%
CONSOLIDATED NET PROFIT (€m)	2.6	4.6%	4.0	7.2%	-33.9%
NET PROFIT GROUP SHARE (€m)	2.2	3.8%	3.3	6.0%	-35.0%

(1) Note: Sales are not a relevant indicator for assessing business growth, as they are greatly impacted by changing sea and air freight rates, fuel surcharges, exchange rates (especially against the USD) etc. Relevant indicators include variations in the number of shipments, volumes shipped and, in terms of the Group's finances, gross profit.

BUSINESS VOLUMES AND EARNINGS

The global sea and air freight market grew by 2% in 2016.

CLASQUIN once again outperformed the market thanks to both strong sales momentum and new locations and acquisitions.

After a sluggish performance in the first 9 months of the year, sea and air freight unit margins recovered in Q4, enabling gross profit to grow by 3.4% for the year (+0.7% like-for-like increase).

	2016 v 2015 (at current scope and exchange rates)
Number of shipments	*+6.8%*
Number of TEUs	*+17.3%*
Tonnage (air freight)	*+5.6%*
Gross profit	*+3.4%*

The increase in operating expenses (6.4%) reflects all the measures implemented to drive growth.

Changes in these expenses can be broken down as follows:

- Group management and IT architecture: 1.6%,
- Scope (LCI CLASQUIN, acquired 01/04/15) and exchange rate effects: 1.8%,
- Network expansion (Chile, Portugal, etc.) and niche markets: 1.6%,
- Reshuffle of Australian and German subsidiaries: 1.4%.

In the short term, these 'investments' impacted our current operating income, which declined 22.4% in line with our guidance.

FINANCIAL POSITION

	2016	2015	2014
Shareholders' equity (€m)	23.8	23.8	23.3
Net debt (€m)	11.1	5.2	0.7
Gearing	**46.5%**	**22.1%**	**3.1%**

	2016	2015	2014
Operating cash flow (€m)	5.4	7.8	4.7
% of gross profit	9.4%	14.0%	9.3%

2. CLASQUIN SA AND ITS SUBSIDIARIES

Sales for CLASQUIN SA, the Group's parent company and also the Company combining all the operations in France, decreased by 2.68% to €121.2m from €124.6m for the previous financial year.

IN €k	Sales 2016	2016 gross profit	2016 v 2015 change in gross profit	2016 current operating income	2015 current operating income
CLASQUIN ITALIA	3,484	994	*12.54%*	144	169
CLASQUIN ESPAÑA	3,860	823	*-16.48%*	6	75
LOG SYSTEM	2,996	2,543	*0.01%*	185	155
CLASQUIN JAPAN	9,972	1,951	*6.63%*	162	101
CLASQUIN KOREA	5,405	1,393	*39.61%*	229	86
CLASQUIN FAR EAST	24,518	4,545	*-4.11%*	621	781
CLASQUIN SINGAPORE	2,406	524	*2.92%*	31	87
CLASQUIN THAILAND	2,824	531	*-16.27%*	38	90
CLASQUIN MALAYSIA	2,251	397	*0.18%*	37	34
CLASQUIN AUSTRALIA	2,710	506	*8.67%*	(149)	25
CLASQUIN USA	8,631	2,167	*24.10%*	348	168
CLASQUIN CANADA	3,056	574	*18.67%*	54	22
CLASQUIN VIETNAM	2,754	570	*11.02%*	66	113
CLASQUIN GERMANY	6,159	1,115	*-15.05%*	(162)	184
CLASQUIN INDIA	2,846	594	*9.56%*	139	194
INTERCARGO	18,241	3,420	*2.15%*	980	846
CLASQUIN SILK ROAD	-	-	-	(2)	(2)
CLASQUIN BURKINA FASO	183	47	*23.40%*	(6)	16
ECS US	13,821	2,632	*-2.83%*	(29)	(512)
FINANCIÈRE LCI	-	-	-	(13)	(66)
CLASQUIN PORTUGAL	65	9	N/A	(143)	N/A
CLASQUIN CHILE	969	67	N/A	(65)	N/A
ART SHIPPING INTERNATIONAL	712	391	N/A	90	N/A

B. Economic and financial results for the CLASQUIN group, CLASQUIN SA and its subsidiaries

1. PRESENTATION OF COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The company and consolidated financial statements for the year ended 31 December 2016 that we are submitting to you for approval were prepared in compliance with the rules of presentation and valuation methods set forth in the regulations in force.

1.1 Consolidated financial statements

The consolidation methods are described in the notes to the consolidated financial statements.

1.1.1 Companies consolidated

Consolidated companies included in the CLASQUIN group are listed in the notes to the consolidated financial statements. The following companies were consolidated for the first time:

- ART SHIPPING INTERNATIONAL
- CLASQUIN CHILE
- CLASQUIN PORTUGAL

Pursuant to the consolidation rules, the other holdings were not consolidated.

1.1.2 Consolidated results for the year ended 31 December 2016

IN €k	IFRS accounting standards		
	31/12/2016	31/12/2015	Change
Net sales	235,024	234,206	0.3%
Cost of sales	(177,525)	(178,588)	-0.6%
Gross profit	57,500	55,618	3.4%
Current operating income	5,188	6,689	-22.4%
Income before tax	4,139	6,176	-33.0%
PROFIT FROM CONTINUING OPERATIONS	2,632	4,237	-37.9%
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	0	(254)	-100.0%
GROUP CONSOLIDATED NET PROFIT	2,632	3,983	-33.9%
NET PROFIT GROUP SHARE	2,173	3,346	-35.1%

The consolidated result for the year amounted to a net profit Group share of €2,173k, down 35.1% from €3,346k for the previous financial year. As at 31 December 2016 after net profit for the year, shareholders' equity Group share amounted to €20,798k, minority interests €2,976k and share capital €4,613k.

2016 net sales came to €235,024k compared to €234,206k for the previous year, up 0.3% compared to a 16.1% increase in the previous year.

2016 gross profit amounted to €57,500k compared with €55,618k for the previous year, up 3.4% compared with growth of 27.5% in the previous year.

Current operating income came in at €5,188k compared with €6,689k for the previous year, down 22.4%. Non-recurring items amounted to a net expense of €590k compared with a net expense of €400k in the previous year.

Total consolidated net profit amounted to €2,632k, with the Group share amounting to €2,173k.

1.2 Company financial statements

The financial statements for CLASQUIN SA for the year ended 31 December 2016 showed a profit of €262,635, the main components of which are as follows:

€	31/12/2016	31/12/2015	Change
Net sales	121,210,970	124,559,858	-2.69%
Operating income	122,193,244	125,977,068	-3.00%
Operating expenses	122,304,494	124,103,678	-1.45%
EBIT	-111,250	1,873,390	-105.94%
Financial income	2,359,484	2,476,019	-4.71%
Financial expenses	372,581	528,282	-29.47%
Net financial income/(expense)	1,986,903	1,947,737	2.01%
Pre-tax operating earnings	1,875,654	3,821,127	-50.91%
Non-recurring income	(3,552)	4,701,366	-100.08%
Non-recurring expenses	429,512	6,261,140	-93.14%
Net non-recurring expenses	(433,064)	(1,559,774)	-72.24%
Employee incentive and profit-sharing scheme	1,115,455	1,126,382	-0.97%
Income tax	64,500	107,388	-39.94%
NET EARNINGS PER SHARE	262,635	1,027,783	-74.45%

2016 net sales amounted to €121,210,970 vs €124,559,858 for the previous year.

Total operating income came to €122,193,244 and total operating charges came to €122,304,494, thus yielding an EBIT loss of €111,250, compared to EBIT of €1,873,390 for the previous year.

Total financial income amounted to €2,359,484 and total financial expenses came to €372,581, resulting in net financial income of €1,986,903 compared with €1,947,737 for the previous year.

Pre-tax operating earnings thus came to €1,875,654 compared with €3,821,127 for the previous year.

Total non-recurring income amounted to -€3,552 and total non-recurring expenses came to €429,512, resulting in net non-recurring expenses of €433,064 compared with €1,559,774 for the previous year.

The Company financial statements for the year ended showed a net profit of €262,635 compared with €1,027,783 for the previous year.

The table of results stipulated by Article R.225-102 of the French Commercial Code is appended to this report.

1.3 Application of IFRS

Please refer to section E of the consolidated financial statements "Financial reporting framework, consolidation procedure, valuation methods and rules", paragraph 1. "Financial reporting framework", sub-paragraph 1.1 "Statement of compliance".

2. FINANCIAL ANALYSIS OF RISKS

2.1 Financial risk management

2.1.1 Liquidity risk management

CLASQUIN group invests primarily in IT accessories (hardware and software) and fixtures and fittings.

Investments are financed through medium- and long-term loans or with equity.

Working capital is financed by the CLASQUIN group's cash flow and occasionally by bank overdrafts.

Working capital is subject to significant changes throughout the year due to monthly payments of customs duties and VAT to the Customs Authorities and due to the Cargo Accounting Settlement System (C.A.S.S.), an organisation that groups together airline companies in order to simplify billing and payments between airlines and freight forwarders. At the time of these operations and depending on the settlement dates, the working capital requirement registers significant variations.

No CLASQUIN group loans are subject to bank covenants.

2.1.2 Interest rate risk

The loans taken out by the CLASQUIN group can be arranged at a fixed or variable rate of interest (see table in paragraph 11.2 of chapter "E.IV - Explanation of balance sheet and income statement items and changes thereto").

Depending on trends in market rates, the Group can set up hedging mechanisms at any moment on its own initiative.

2.1.3 Inflation risk

The Company does not consider itself exposed to any inflationary risk, inasmuch as the increase in freight rates, due to inflation, is passed on to the sales prices.

This impact is not effective immediately due to the time required for it to take effect, but may be observed over time.

2.1.4 Currency impact on performance indicators

CLASQUIN group is an international business comprising 33 companies at 31 December 2016, with 62 branches located in Europe, America, Asia, the Pacific region and Africa. The strategy relies upon continuous development of its activities in the international segment.

As the CLASQUIN group presents its consolidated financial statements in euros, foreign exchange fluctuations can have a positive or negative impact on CLASQUIN's level of operations and performance indicators.

2.1.5 Currency risk

The euro is the currency used by CLASQUIN for preparing its financial statements and for all invoicing between subsidiaries. The currency risk is thus essentially borne by the subsidiaries based outside the euro zone. The Group also develops a policy of monthly exchange rate hedging on subsidiaries which generate considerable exchange flows.

The Group has also set up a "Clearing Office" which centralises all settlements between the various entities. In this way, a given entity's exposure to currency risk can be essentially summed up as the risk applicable to an offset balance of receivables and payables with all of the other Group entities. The currency risk is therefore easier to measure.

Given that the CLASQUIN group engages in an international business activity, exchange rate fluctuations could have an adverse impact on the profits of its subsidiaries situated outside the euro zone, which are insufficiently hedged or not hedged at all, considering their import and/or export flows, and thus on the financial position and profits of the CLASQUIN group.

For information on the main exchange rates applied during the financial year, see the table in paragraph 2.2 of chapter "E.II. - Financial reporting framework, consolidation procedure, valuation methods and rules".

2.2 Risks arising from variations in the share price

In order to improve and regulate liquidity for its shares, a liquidity contract was signed between CLASQUIN SA and ODDO CORPORATE FINANCE brokerage firm on 14 September 2009, the agreement being tacitly renewed each year. On 13 October 2014 the agreement was amended to increase the value of funds paid into the liquidity contract . This contract was transferred to ODDO & Cie, sole shareholder of ODDO CORPORATE FINANCE through the universal transfer of the latter's assets and liabilities effective on 1 March 2016.

This agreement complies with the AMAFI (French Association of Financial Markets) code of ethics.

C. CLASQUIN SA client and supplier payment terms

Breakdown of euro-denominated trade payables and receivables by due date as at 31 December 2016 and 2015.

Trade receivables as at 31/12/2016 by due date

€	0-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Balance due as at 31/12/2016	39,998,150	1,731,838	604,294	652,372	42,986,655

Trade receivables as at 31/12/2015 by due date

€	0-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Balance due as at 31/12/2015	28,319,285	9,704,883	10,553	2,379,900	40,414,621

Trade payables as at 31/12/2016 by due date

€	0-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Balance due as at 31/12/2016	23,450,184	1,237,418	75,840	406,856	25,170,298

Trade payables as at 31/12/2015 by due date

€	0-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Balance due as at 31/12/2015	25,331,083	1,143,255	(24,739)	57,868	26,507,467

D. Research and development

CLASQUIN group invested €1,133k in R&D in 2016, 6.3% of CLASQUIN SA's gross profit.

It is made up of changes to the Group's historical software, AEOLUS, and the cost of the project to replace AEOLUS with CARGOWISE launched in September 2016 following the signature, on 28 July 2016, of an agreement with the publisher WISETECH, global leader in the sector.

E. Material post balance sheet events

No material events have occurred since the balance sheet date, 31 December 2016.

F. Foreseeable changes in the position of the Group of companies included in consolidation and outlook

2017 market outlook: growth estimated at around 1%

2017 CLASQUIN outlook: growth higher than market growth

G. Earnings appropriation

Note that, in the prospectus drawn up for the Company's floatation on Alternext, and subject to funding to be received for capital expenditure in respect of CLASQUIN group's development and insofar as the results allow, the Company has announced its intention to proceed with an annual dividend payout of at least 20% of consolidated net profit Group share.

We would like to propose total dividends for the year ended 31 December 2016 amounting to approximately 84.9% of consolidated net profit Group share, which amounted to €2,173,277.

We therefore recommend that you appropriate CLASQUIN SA's net profit for the year amounting to €262,634.57 as follows:

– Dividend distribution: €1,845,120.80,

Drawn from net profit for the year, amounting to €262,634.57,

Drawn from retained earnings, amounting to €3,898.20,

With the balance of €1,578,588.03 taken from 'Other reserves'.

The earnings appropriation covers existing shares. At the time the dividend is paid, should the Company hold any treasury shares that do not give entitlement to a dividend, the earnings corresponding to the unpaid dividends for these shares will be transferred to 'Other reserves'.

Each shareholder will thus receive a dividend of €0.80 per share.

This dividend will be paid on 14 June 2017.

We note, in principle (except notably dividends relating to securities held in a PEA share savings plan) dividends are subject to income tax according to a progressive scale, after applying the 40% allowance specified by Article 158, 3.2 of the French General Tax Code, and that pursuant to the provisions of Article 117 *quater* of the same code, they are subject to a mandatory non-flat-rate tax of 21% of the gross dividend amount.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, we would like to remind you that the amounts distributed as dividends, for the previous 3 years, were as follows:

FINANCIAL YEAR	Dividend distribution per share
2015	€1.25
2014	€0.80
2013	€0.80

H. Non tax deductible expenses

In accordance with the provisions of Article 223 *quater* and 223 *quinquies* of the French General Tax Code, we hereby inform you that the 2016 financial statements include €80,650 in respect of non tax-deductible expenses, and that corporate tax paid on this amount at the base rate came to €26,883.

I. Subsidiaries and shareholdings

We have presented the activity of the subsidiaries by reporting the Company's activity.

The table of subsidiaries and holdings is included in this report.

During 2016, the Company acquired new equity investments or increased its equity interest and voting rights in companies having their head office in France, as stated below:

- Increase in its equity stake in CLASQUIN VIETNAM from 51% to 99%,
- Increase in its equity stake in SCI LACHA from 50% to 62.50%,
- Equity stake of 80% in ART SHIPPING INTERNATIONAL,
- Creation of CLASQUIN PORTUGAL with an equity stake of 99.8%,
- Creation of CLASQUIN CHILE, fully owned.

The company does not have any branches.

CLASQUIN Ningbo

J. Controlled companies

As at 31 December 2016, the Company controlled the following companies directly or indirectly:

Directly:

NAME OF COMPANY	% control 2016	% interest 2016
DIRECTLY OWNED COMPANIES		
LOG SYSTEM SARL	100.00%	70.00%
CLASQUIN ITALIA SRL	100.00%	100.00%
CLASQUIN ESPAÑA SL	100.00%	100.00%
CLASQUIN USA INC.	100.00%	80.00%
CLASQUIN JAPAN KK LTD	100.00%	100.00%
CLASQUIN SINGAPORE PTE LTD	100.00%	100.00%
CLASQUIN FAR EAST LTD	100.00%	100.00%
CLASQUIN AUSTRALIA PTY LTD	100.00%	100.00%
CLASQUIN KOREA LTD	100.00%	100.00%
CLASQUIN MALAYSIA LTD	100.00%	100.00%
CLASQUIN THAILAND CO LTD	100.00%	49.00%
CLASQUIN CANADA INC.	100.00%	100.00%
CLASQUIN VIETNAM LTD	100.00%	99.00%
CLASQUIN GERMANY GMBH	100.00%	100.00%
CLASQUIN INDIA PVT LTD	100.00%	100.00%
CLASQUIN SILK ROAD	100.00%	51.00%
CLASQUIN BURKINA FASO	100.00%	100.00%
TRANSITOS INTERNACIONALES INTERCARGO 1999 SA	100.00%	100.00%
EXPRESS CONSOLIDATION SYSTEMS CORP.	100.00%	80.00%
FINANCIÈRE LCI SAS	100.00%	80.00%
CLASQUIN PORTUGAL LDA	100.00%	100.00%
CLASQUIN CHILE	100.00%	100.00%
ART SHIPPING INTERNATIONAL SAS	100.00%	80.00%

Indirectly:

NAME OF COMPANY	% control 2016	% interest 2016
INDIRECTLY OWNED COMPANIES		
SECURE CUSTOMS BROKERS INC. (subsidiary of CLASQUIN USA)	100.00%	80.00%
CLASQUIN SHANGHAI (subsidiary of CLASQUIN FAR EAST)	100.00%	100.00%
EUPHROSINE LTD (subsidiary of CLASQUIN FAR EAST)	100.00%	69.06%
CLASQUIN GEORGIA (subsidiary of CLASQUIN SILK ROAD)	100.00%	51.00%
ECS (Barbados) Limited (subsidiary of EXPRESS CONSOLIDATION SYSTEMS Corp.)	100.00%	80.00%
LCI-CLASQUIN (subsidiary of FINANCIÈRE LCI)	100.00%	80.00%
LCI TUNISIE (subsidiary of LCI-CLASQUIN)	99.90%	79.92%
LCI TRANSPORT (Tunisia) (45%-owned subsidiary of LCI-CLASQUIN)	45.00%	36.00%
MED-TIR (TUNISIA) (48.25%-owned subsidiary of LCI-CLASQUIN)	48.25%	38.60%
SCI LACHA (62.50%-owned subsidiary of LCI-CLASQUIN)	62.50%	50.00%

K. Agreements specified under Articles L.225-38 et seq. of the French Commercial Code

The statutory auditors will read their report, which refers to agreements duly authorised by the Board of Directors in respect of this financial year and agreements signed in previous years that continued during the year ended 31 December 2016.

Note that following the French ordinance dated 31 July 2014, the procedure for the authorisation of regulated agreements no longer applies to agreements between two companies, where one company directly or indirectly holds the entire share capital of the other. Only agreements subject to the regulated agreements procedure are mentioned in the statutory auditors' special report.

L. Board member and statutory auditor appointments

No Board member or statutory auditor appointments are due to expire at the end of this general meeting.

M. Recommended allocation of directors' fees

We recommend allocating the Board of Directors total directors' fees of €23k for 2017.

N. Authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders

1. AUTHORISATION GRANTED TO THE COMPANY TO BUY BACK ITS SHARES ON THE MARKET

We recommend that you authorise the Company to trade on the stock market in its own shares, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, and provided that the applicable statutory and regulatory provisions are satisfied when this authorisation is exercised, for the following exclusive purposes, in order of priority:

- transactions carried out by an investment service provider as part of a liquidity contract drawn up pursuant to the AMAFI (French Financial Markets Association) ethical code,
- coverage of stock option or bonus share allocation schemes,
- coverage of other forms of share allocation to Group employees and/or corporate officers under conditions and according to procedures specified by the law, particularly with regard to Company profit sharing as part of a company savings scheme,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions,
- coverage of debt securities convertible to shares,
- cancelling purchased shares.

Other uses of this share buyback programme are not being considered.

The transactions performed as part of a buyback programme shall be carried out pursuant to applicable regulations.

An information document will be circulated in accordance with current regulations.

The maximum number of shares to be acquired will represent a maximum of 10% of the Company's share capital (including shares already held), including 5% of the Company's share capital if they are shares acquired by the Company to keep and later transfer as payment or in exchange as part of a merger, demerger or contribution.

The maximum purchase price per share, subject to adjustments linked to transactions relating to the Company's capital, will be set at €50 (excluding transaction fees).

The maximum theoretical amount for carrying out this programme is €11,532,005 (maximum theoretical amount excluding treasury shares), financed either from equity or via short- to mid-term external financing.

Shares may be repurchased via any procedure, including acquisition of share blocks in one or more transactions, including during a public tender offer.

The authorisation will be valid with effect from the date on which the Annual General Meeting approves the 2016 financial statements and until the date of the next Annual General Meeting called to approve the financial statements, within the statutory limit of eighteen (18) months.

If you adopt this resolution, the Board of Directors will report to you every year on the use of this authorisation.

We are also asking you to authorise the Board of Directors, for a period of eighteen (18) months, on one or more occasions and at its sole discretion, to cancel, subject to a cap of 10% of the share capital calculated as at the date of the decision to cancel, having deducted any shares cancelled during the previous 24 months, shares that the Company holds or may hold following repurchases made under the buyback programme and to reduce the Company share capital by the same amount pursuant to current statutory and regulatory provisions. The Board of Directors would therefore have the necessary powers to do what is required in such matters.

2. AUTHORISATION TO INCREASE SHARE CAPITAL BY ISSUING ANY TYPE OF EQUITY SECURITY, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, AS APPLICABLE, WITH DELEGATION TO THE BOARD IN ORDER TO DECIDE ON ISSUES

We recommend that you decide on the principle of capital increases, granting authority to the Board of Directors, to enable the Company, where applicable, to raise funds on the financial markets with a view to seizing any opportunities for growth.

2.1 Accordingly, in accordance with Articles L. 225-129 et seq., and in particular Articles L. 225 129-2 and L. 228-91 et seq., of the French Commercial Code, we recommend that you grant the Board of Directors powers, for a twenty-six (26) month term, to increase the share capital by issuing ordinary shares or any securities giving access to share capital, with preferential subscription rights maintained.

2.1.1 As such, the Board of Directors, with authority to delegate to the Chief Executive Officer, would be entitled to decide on one or more capital increases, in France or abroad, by issuing in euros for consideration or free of charge, Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

2.1.2 a. The total nominal amount of capital increases executed immediately and/or in the future may not exceed three million euros (€3,000,000), to which will be added the par value of any future additional shares issued to safeguard the rights of holders of securities giving access to share capital, in accordance with the law.

b. The total nominal amount of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), which shall be independent from the cap specified under paragraph 2.1.2.a above.

2.1.3 In proportion to the value of their shares, shareholders shall have a preferential subscription right in respect of issued ordinary shares and securities.

If statutory subscriptions and any additional subscriptions do not account for an entire issue of shares or securities as defined above, the Board may offer any or all unsubscribed securities to the public.

2.1.4 The Board of Directors would also be granted the power, with authority to delegate to the Chief Executive Officer, to decide on one or more capital increases by capitalisation of additional paid-in capital, reserves, retained earnings or other accounts, for which such capitalisation is permitted in law and under the articles of association, by allocating bonus shares or by raising the par value of existing shares.

The total nominal amount of capital increases completed under this authorisation, plus the amount required to safeguard the rights of holders of securities giving access to share capital in accordance with the law and independently of the cap set under section 2.1.2.a., may not exceed the value of reserves, additional paid-in capital or retained earnings referred to above as at the capital increase date and will not be deducted from the overall cap specified under section 2.1.2.a.

Should the Board of Directors implement this authorisation and in accordance with the provisions of Article L. 225-130 of the French Commercial Code, we recommend that rights to fractional shares shall be neither negotiable nor transferable and that they will be sold, proceeds therefrom being allocated to holders of such rights to fractional shares within the period specified under applicable regulations.

We hereby state that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors to exercise the authorisations referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

2.2 We also recommend that you grant the Board of Directors, for the same twenty-six (26) month term, power to increase the share capital by issuing ordinary shares or any securities giving access to share capital, without preferential subscription rights.

2.2.1 The Board of Directors, with authority to delegate to the Chief Executive Officer, would be entitled to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

2.2.2 a. The total nominal amount of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000), this amount being deducted from the cap specified under 2.1.2 .a.

b. The total nominal amount of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the cap specified under section 2.1.2.b but not from the cap specified under section 2.2.2.a.

2.2.3 The preferential subscription right of shareholders to said securities issued in accordance with legislation shall not apply.

2.2.4 Amounts payable or subsequently refundable to the Company for all shares issued or to be issued through the exercise of rights attached to securities shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a reasonable period.

We hereby state that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors to exercise the authorisations referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We recommend that you take formal note that these authorisations shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94, as amended by the French ordinance dated 31 July 2014 relating to issues of securities governed by Article L. 228-91, i.e. debt securities giving rights to other debt securities or to existing shares.

We specify that this authorisation will render void any previous authorisation for the same purpose.

3. AUTHORISATION TO INCREASE SHARE CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS BY PRIVATE PLACEMENT

We recommend, in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code and Article L. 411-2 (II) of the French Monetary and Financial Code, that you:

- grant the Board of Directors, with authority to delegate to the Chief Executive Officer, the power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital, by a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without preferential subscription rights, for which subscription may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

  The authorisation which would be thus granted to the Board of Directors will be valid for up to twenty-six (26) months from the date of this general meeting,

- resolve that the total nominal amount of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000) and, with regard to a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, may not exceed, under any circumstances, 20% of the Company's share capital per year, it being specified that this amount shall be deducted from the cap set under section 2.1.2.a.,
- resolve to waive the preferential subscription right of shareholders to securities which will be issued under an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code,
- resolve that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on an average of closing share prices calculated over a reasonable period,
- resolve that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors to exercise the authorisation referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

4. AUTHORISATION FOR THE BOARD TO INCREASE THE AMOUNT OF ISSUES UNDER A CAPITAL INCREASE WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, IN THE EVENT OF OVER-SUBSCRIPTION

We recommend that you grant the Board of Directors, for a twenty-six (26) month term, in the event of over-subscription, the power to increase the number of shares to be issued under issues pursuant to the authorisations referred to above and subject to the specified caps for those authorisations, in accordance with the terms and conditions stated under Articles L. 225-135-1 and R. 225-118 of the French Commercial Code.

We recommend that you grant full powers to the Board of Directors to exercise the authorisation referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

5. RESOLUTION TO BE ADOPTED PURSUANT TO THE LAW ON EMPLOYEE SAVINGS SCHEMES

We wish to inform you that, in accordance with the provisions of Article L.225-129-6 of the French Commercial Code, the Annual General Meeting must vote on a draft resolution for the purpose of carrying out a capital increase pursuant to the provisions of Articles L.3332-18 et seq. of the French Labour Code:

- upon each decision to increase the share capital via cash contributions, save any statutory exceptions,
- during the third calendar year following the previous Annual General Meeting having taken a decision concerning a plan to increase the capital reserved for employees when the portion of share capital held by employees is less than 3%.

This increase in capital will satisfy the specific terms and conditions set forth in Articles L.225-138-1 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labour Code.

Consequently, we would request that you grant the Board of Directors the authority, with the option of delegating this authority to the Chief Executive Officer, to carry out this capital increase at its sole discretion, respecting the maximum aggregate par value of three hundred thousand euros (€300,000).

The beneficiaries of this increase in capital would be all employees of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code, through an FCPE employee investment fund under a company savings plan.

The shareholders must waive their preferential subscription right in favour of those persons belonging to a company savings plan in the form of an FCPE employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code.

The price shall be determined in accordance with the law and, in particular, with the objective practices used for valuing shares. The subscription price may not be higher than the subscription price thus determined or more than 20% lower than this price (30% when the lock-up period set out in the plan in accordance with Articles L. 3332-25 and L.3332-26 of the French Labour Code is 10 years or more); however, the Board of Directors may reduce this discount at its own discretion, in particular should an offer be made to company savings plan members of securities on the international market and/or abroad in order to meet the requirements of local applicable laws.

The final amount of the capital increase, subject to the aforementioned price limits, shall be set at no higher than the number of shares actually subscribed by employees at the subscription closing date agreed by the Board of Directors.

The shares must be fully paid up on the day of subscription and will be locked up for five (5) years effective from the final capital increase date, except in those cases listed exhaustively by law.

The authorisation granted to the Board of Directors to decide on a capital increase reserved for employees within the framework of the provisions of the aforementioned Articles L.3332-18 et seq. of the French Labour Code shall remain valid for a twenty-six (26) month term as of this General Meeting.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

O. Stock options - Bonus share allocations

Pursuant to the provisions of Articles L.225-184 and L.225-197-4 of the French Commercial Code, the Annual General Meeting must be kept informed of stock option and bonus share plans.

We hereby notify you that the Company has not implemented a stock option programme and has not issued any bonus shares.

P. Report on the transactions carried out by the Company on its own shares during the financial year

In application of the provisions of Article L.225-211 (2) of the French Commercial Code and pursuant to the authorisation granted by the Combined Annual General Meeting of 7 June 2016, we hereby inform you that the Company carried out the following transactions during the financial year ended 31 December 2016:

- Number of shares purchased during the financial year: 23,414
- Number of shares sold during the financial year: 22,320
- Average purchase price: €29.5759
- Average sale price: €29.4633
- Transaction costs: nil
- Number of shares registered in the Company's name as at 31 December 2016: 3,750
- Estimated purchase cost of shares: €106,500
- Share par value: €2.00
- Proportion of share capital represented: 0.16%

Information on the execution of share purchase transactions per objective set in the share buyback programme decided by the Combined Annual General Meeting of 7 June 2016:

OBJECTIVES	Number of shares acquired	Average purchase price (€)	Number of shares sold	Potential reallocations
Liquidity contract	23,414	29.5759	22,320	N/A

For information, at 4 January 2016 CLASQUIN shares traded at €34.50 and at 30 December 2016 traded at €28.40.

Q. Information relating to the share capital and voting rights

In accordance with the provisions of Article L.233-13 of the French Commercial Code and in view of information and notices received pursuant to Articles L.233-7 and L.233-12 of said Code, we inform you of the following:

- Identity of shareholders, at the end of the financial year, directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% and 95% of the Company share capital or voting rights:
  - OLYMP held 42.85% of share capital and 55.50% of voting rights,
  - Mr Yves Revol held 4.64% of share capital and 6.05% of voting rights,
- Breakdown of share capital and voting rights, in view of threshold crossing disclosures made to the Company between the dates of the previous report and the current report:
  - AMIRAL GESTION fell below the threshold of 5% of the share capital (letter dated 19 May 2016),
  - FINANCIÈRE TIEPOLO exceeded the threshold of 2.5% of the share capital (letter dated 12 January 2017),
  - LAZARS FRÈRES GESTION has declared that the set of mutual funds under its management exceeded the threshold of 5% of the share capital (letter dated 25 February 2017),

R. Share transactions carried out by directors or closely related persons

Pursuant to statutory and regulatory provisions, below you will find a summary statement of the transactions performed on Company shares during 2016 by directors and persons closely related to them. This statement has been produced from the information we have received:

- Number of shares sold: 3,070
- Number of shares purchased: 33,236
- Number of shares subscribed: 0
- Number of shares exchanged: 0

PERSONS CONCERNED	Number of shares sold during the year	Number of shares purchased during the year
OLYMP	N/A	11,322
Hugues MORIN and related persons	3,070	21,914

S. Company employee share ownership

In accordance with the provisions of Article L.225-102 of the French Commercial Code, we hereby provide information on the situation concerning the employee share ownership scheme at year-end and the proportion of share capital represented, as at 31 December 2016, by the shares held by Company employees and by employees of affiliated companies, as defined in Article L.225-180 of the French Commercial Code, within the framework of a company savings plan and an employee investment fund.

As at 31 December 2016, the CLASQUIN PERFORMANCES investment fund held 3.62% of the Company's share capital.

T. Information concerning corporate officers

1. LIST OF OFFICES AND POSITIONS HELD

In accordance with Article L.225-102-1 of the French Commercial Code, we hereby list below all the offices and positions held during the year in all relevant companies by each director. This list has been drawn up based on information provided by each party concerned.

Positions held by Mr Yves REVOL, Board member and Chief Executive Officer

Chairman of OLYMP
Chairman of CLASQUIN FAR EAST
Board member of CLASQUIN JAPAN
Chairman of CLASQUIN SINGAPORE
Chairman of CLASQUIN MALAYSIA
Chairman of CLASQUIN AUSTRALIA
Chairman of CLASQUIN CANADA
Chairman of CLASQUIN USA
Chairman of CLASQUIN SECURE CUSTOMS BROKERS
Chairman of CLASQUIN THAILAND
Chairman of CLASQUIN VIETNAM
Chairman of CLASQUIN SHANGHAI
Chairman of CLASQUIN KOREA
Sole Board member of CLASQUIN ESPAÑA
Board member of EUPHROSINE
Chairman of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Board member of INTERCARGO
Chairman of EXPRESS CONSOLIDATION SYSTEMS Corp.
Chairman and member of the FINANCIÈRE LCI Supervisory Board
Joint managing director of CLASQUIN BURKINA
Chairman of the Board of Directors of CLASQUIN CHILE
Managing director of CLASQUIN PORTUGAL up to 30/09/2016
Chairman of LYMAGE
Managing director of SCI DE LA LOUVE
Managing director of SCI APHRODITE
Managing director of SCI HERA
Managing director of SCI MAIALYS
Managing director of SCI CALLIOPE
Managing director of SCI HESTIA
Chairman of FOOT OF AFRICA BURKINA

Positions held by Mr Philippe LONS, Board member and Deputy Managing Director

Board member of CLASQUIN JAPAN
Board member of CLASQUIN ITALIA
Representative of CLASQUIN,
Board member of CLASQUIN FAR EAST
Board member of CLASQUIN SINGAPORE
Board Member of CLASQUIN KOREA
Board member of CLASQUIN MALAYSIA
Board member of CLASQUIN AUSTRALIA
Board Member of CLASQUIN THAILAND
Board Member of CLASQUIN CANADA
Board member of CLASQUIN USA
Board member of SECURE CUSTOMS BROKERS
Board member of CLASQUIN SHANGHAI
Board member of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Board member of INTERCARGO
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN CHILE

Positions held by OLYMP, Board member, represented by Mr Philippe LE BIHAN

Nil

Positions held by Mr Philippe LE BIHAN, permanent representative of OLYMP

Managing director of LOG SYSTEM

Positions held by Mr Hugues MORIN, Board member and Deputy Managing Director

Chairman of CLASQUIN ITALIA
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN MALAYSIA
Board member of CLASQUIN INDIA
Board member of CLASQUIN SINGAPORE
Joint managing director of CLASQUIN BURKINA
Board member and Managing Director of CLASQUIN CHILE
Managing director of CLASQUIN PORTUGAL

Positions held by Ms Claire MIALARET

Nil

Positions held by Mr Christian AHRENS

Nil

Positions held by Ms Laurence ILHE (Deputy Managing Director since 20 September 2016)

Nil

Positions held by Mr Quentin Lacoste (Deputy Managing Director since 20 September 2016)

Nil

2. DURATION OF BOARD MEMBER APPOINTMENTS

Mr Yves REVOL was reappointed as Board member by the Annual General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020, and as Chief Executive Officer by the Board of Directors on 8 June 2015.

Mr Philippe LONS was reappointed as Board member by the Annual General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020, and as Deputy Managing Director, for the duration of the Chief Executive Officer's term of office, by the Board of Directors on 8 June 2015.

OLYMP was reappointed as Board member by the General Meeting on 7 June 2016 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

Mr Hugues MORIN was reappointed as Board member by the General Meeting on 7 June 2016 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021. He was reappointed as Deputy Managing Director by the Board of Directors on 8 June 2015 for the duration of the Chief Executive Officer's term of office.

Ms Claire MIALARET was appointed as Board member by the Annual General Meeting on 5 June 2014 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2019.

Mr Christian AHRENS was appointed as Board member by the General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.

U. Board of Directors report on authorisations for capital increases

In accordance with the provisions of Article L.225-100 of the French Commercial Code, information relating to the following can be found attached hereto:

- currently valid authorisations granted by the Annual General Meeting to the Board of Directors for capital increases,
- exercise of the aforementioned authorisations during the year.

V. Audit by the statutory auditors

We are going to provide you with the reports from the statutory auditors concerning:

- the Company financial statements,
- the consolidated financial statements,
- agreements specified under Articles L.225-38 et seq. of the French Commercial Code,
- cancellation of shares purchased by the Company under its share buyback programme,
- powers granted to the Board of Directors to issue securities of any kind, with or without preferential subscription rights,
- powers granted to the Board of Directors to carry out one or more capital increases, without preferential subscription rights, by an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code,
- waiving shareholder preferential subscription rights in favour of employees of the Company and the companies belonging to its Group as defined by Article L.225-180 of the French Commercial Code.

We hope that all of the resolutions presented to you will meet with your approval.

The Board of Directors

CLASQUIN
Tokyo

NOTE 1

Statement of financial results for the last five years

(in €k)	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016
CAPITAL AT YEAR-END					
Share capital	4,612,802	4,612,802	4,612,802	4,612,802	4,612,802
Number of ordinary shares	2,306,401	2,306,401	2,306,401	2,306,401	2,306,401
Number of priority dividend shares	-	-	-	-	-
Maximum number of new shares to be issued:	-	-	-	-	-
- by converting bonds	-	-	-	-	-
- through subscription rights	-	-	-	-	-
OPERATIONS AND RESULTS					
Sales (excl. VAT)	111,005,525.03	112,281,553.27	124,148,098.01	124,559,858	121,210,968.98
Profit before tax, profit sharing, amortisation, depreciation and provisions	5,125,025.95	4,252,783.17	4,451,469.15	2,639,851.51	2,615,104.59
Income tax	197,182.00	172,878.00	93,033.33	107,188.00	64,500.00
Employee incentive and profit-sharing scheme	921,079.95	962,744.00	872,900.00	1,126,382.00	1,115,454.64
Profit after tax, profit sharing, amortisation, depreciation and provisions	2,919,311.62	1,872,099.69	2,358,838.37	1,027,783.29	262,635.57
Earnings distributed	1,729,800.00	1,843,414.00	1,843,314.00	2,883,001.25	-
EARNINGS PER SHARE					
Profit after tax and profit sharing, before amortisation, depreciation and provisions	1.74	1.84	1.55	0.61	-
Profit after tax, profit sharing, amortisation, depreciation and provisions	1.27	0.81	1.02	0.45	-
Allocated dividend	0.75	0.80	0.80	1.25	-
STAFF					
Average number of employees	197	206	216	237	232
Wages	7,891,105.63	8,177,112.70	9,361,221.46	9,851,390.04	10,648,762.63
Employee welfare expenses (social security, charities)	3,709,735.00	3,596,723.00	4,068,117.82	4,305,000.91	4,761,505.22

NOTE 2

Subsidiaries and shareholdings

SUBSIDIARIES AND SHAREHOLDINGS (over 50% equity interest) (€)	Share capital (excl. share premium)	Shareholders' equity at 31/12/2016	Equity interest (%)	Book value of investment (gross)	Book value of investment (net)	Loans and advances granted by the Company	Guarantees and securities granted by the Company at 31/12/2016	Sales excl. VAT for the last year	2016 profit/(loss)	Dividends received by the Company during the year
CLASQUIN FAR EAST	96,272	4,541,300	100%	128,893	128,893	-	220,108,153[4]	24,517,794	1,066,427	750,577
CLASQUIN AUSTRALIA	477,281	514,149	100%	365,428	365,428	-	150,726	2,710,247	156,743	-
CLASQUIN JAPAN	92,140	668,978	100%	196,746	196,746	-	405,186	9,972,434	53,898	-
CLASQUIN KOREA	202,746	523,666	100%	214,493	214,493	-	-	5,405,218	215,316	46,658
CLASQUIN SINGAPORE	233,468	627,502	100%	232,047	232,047	-	252,724	2,405,787	28,290	-
CLASQUIN THAILAND[1]	162,757	276,194	*49%	139,406	139,406	84,834	85,000	2,824,290	20,452	-
CLASQUIN MALAYSIA	229,021	238,779	100%	225,417	225,417	200,000	63,442	2,251,039	11,655	-
CLASQUIN ESPAÑA	286,951	661,369	100%	453,416	453,416	-	-	3,859,975	8,343	100,000
CLASQUIN ITALIA	100,000	553,031	100%	945,655	553,031	-	100,000	3,483,743	127,448	-
CLASQUIN USA	14,994	898,369	80%	99,148	99,148	-	-	8,631,173	219,090	71,968
CLASQUIN CANADA	195,298	117,072	100%	179,990	117,072	-	-	3,055,924	42,199	-
LOG SYSTEM	7,622	701,061	70%	88,039	88,039	-	-	2,995,832	120,796	-
CLASQUIN VIETNAM	68,840	189,842	99%	81,500	81,500	50,000	85,381	2,753,809	13,361	-
CLASQUIN GERMANY	200,000	749,301	100%	200,000	200,000	-	355,000	6,158,785	(194,119)	-
CLASQUIN INDIA	882,323	763,331	100%	929,293	763,331	-	-	2,845,713	217,979	-
CLASQUIN SILK ROAD[2]	62,184	(33,181)	51%	31,685	-	16,101	-	-	(2,246)	-
CLASQUIN BURKINA FASO[2]	15,245	(16,094)	100%	15,245	-	30,200	-	182,606	(7,820)	-
CLASQUIN INTERCARGO	90,165	1,978,694	100%	2,448,421	2,448,421	-	-	18,241,134	741,635	600,000
CLASQUIN CHILE[3]	1,436,805	1,441,346	100%	1,500,000	1,500,000	-	-	968,505	(91,357)	-
CLASQUIN PORTUGAL[3]	50,000	(94,767)	100%	50,000	50,000	205,132[5]	50,000	65,009	(144,767)	-
ART SHIPPING[3]	10,000	445,962	80%	884,920	884,920	-	-	711,911	52,641	-
FINANCIÈRE LCI	3,000,000	6,258,501	80%	2,400,000	2,400,000	2,100,000	-	-	1,409,051	-
ECS US (Ex Garnett)	94,169	479,405	80%	1,666,097	1,666,097	673,411	474,338	13,821,198	(33,323)	-

(1) CLASQUIN THAILAND is 49% directly held and 100% controlled.
(2) In the case of CLASQUIN SILK ROAD and BURKINA FASO, given that the Group share of shareholders' equity is negative (-€16,922 and -€16,094 respectively), the shares have been written off and an additional impairment charge recognised as a provision for financial risks and contingencies.
(3) The gross value of the equity investments in CLASQUIN CHILE, CLASQUIN PORTUGAL and ART SHIPPING are exclusive of incorporation costs.
(4) Including a €1,192,238 guarantee for CLASQUIN SHANGHAI.
(5) The item under loans and advances to CLASQUIN PORTUGAL relates to the amount of invoices paid by CLASQUIN SA in connection with the start-up phase. This amount will be repaid at the beginning of 2017.

NOTE 3

Board of Directors report on authorisations for capital increases

In order to comply with the provisions of Article L.225-100 of the French Commercial Code, we hereby report information to you regarding the following:

– Currently valid powers granted by the Annual General Meeting to the Board of Directors for capital increases:

The 8 June 2015 Combined General Meeting:

- authorised the Company to increase its share capital by a maximum par value of €3,000,000 (and €40,000,000 in respect of debt-based securities, relating in particular to bonds) by issuing any securities, with preferential subscription rights, as appropriate, with authority granted to the Board of Directors to decide on said capital increases during a twenty-six (26) month term,
- authorised the Company to increase its share capital by a maximum par value of €3,000,000 (and €40,000,000 in respect of debt-based securities, relating in particular to bonds) by issuing any securities, without preferential subscription rights, as appropriate, with authority granted to the Board of Directors to decide on said capital increases during a twenty-six (26) month term,
- authorised the Board of Directors, for a twenty-six (26) month term, to increase the number of securities to be issued as part of a capital increase, as stipulated above, if a surplus of subscription requests is received, pursuant to the provisions of Article L.225-135-1 of the French Commercial Code,
- authorised the Company to increase share capital by a maximum par value of €3,000,000 by issuing ordinary shares or any other securities, as part of an offer specified under Article L.411-2 (II) of the French Monetary and Financial Code, without shareholder preferential subscription rights, with authority granted to the Board of Directors for a twenty-six (26) month term to carry out said capital increases,
- authorised the Board of Directors, for a twenty-six (26) month term, to carry out share capital increases at its sole discretion, subject to a maximum par value increase of €300,000, without preferential subscription rights, in favour of members of a company savings plan through an employee investment fund (or any other plan through which, under Articles L.3332-18 of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company or companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

– Exercise of the aforementioned authorisation during the year:

Nil.

The 7 June 2016 Combined General Meeting:

- authorised the Board of Directors, for a thirty-eight (38) month term, on one or more occasions and at its sole discretion, to make bonus allocations of its choice, either of existing shares in the Company originating from previous purchases or of new shares issued via a capital increase, to members of staff employed and directors and officers of the Company and of related companies within the meaning of Article L.225-197-2 of the French Commercial Code, or to specific categories of employees or directors and officers, where the total number of shares resulting from this authorisation to allocate bonus shares, whether existing or to be issued, may not exceed a total of four per cent (4%) of the total shares making up the company's share capital on the allocation date,
- authorised the Board of Directors, for a twenty-six (26) month term, to carry out share capital increases at its sole discretion, subject to a maximum par value increase of €300,000, without preferential subscription rights, in favour of members of a company savings plan through an FCPE employee investment fund (or any other plan through which, under Articles L.3332-18 of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company or companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

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II. TEXT OF RESOLUTIONS

Resolutions proposed at the Combined Annual General Meeting of 7 June 2017

A. ORDINARY RESOLUTIONS

First resolution

(Approval of the 2016 Company financial statements)

Following the presentation of the Board of Directors report and the reading of the statutory auditors' general report on the Company financial statements for the year ended 31 December 2016, the Annual General Meeting approves the Company financial statements as presented as well as the transactions reported in these statements or summarised in the reports.

The Annual General Meeting also approves the total amount for expenses and charges not deductible from profits subject to income tax, amounting to €80,650, as well as the tax borne under the aforementioned expenses and charges amounting to €26,883.

Second resolution

(Final discharge of Board members)

The Annual General Meeting discharges the Board members from their responsibilities for the financial year ended 31 December 2016.

Third resolution

(2016 earnings appropriation)

Further to the proposal by the Board of Directors, the Annual General Meeting resolves to allocate the net profit for the year ended 31 December 2016, amounting to €262,634.57, as follows:

- Dividend distribution: €1,845,120.80,

Drawn from net profit for the year, amounting to €262,634.57,

Drawn from retained earnings, amounting to €3,898.20,

With the balance of €1,578,588.03 taken from 'Other reserves'.

Each shareholder will thus receive a dividend of €0.80 per share.

This dividend will be paid on 14 June 2017.

The earnings appropriation covers existing shares. At the time the dividend is paid, should the Company hold any treasury shares that do not give entitlement to a dividend, the earnings corresponding to the unpaid dividends for these shares will be transferred to 'Other reserves'.

It is to be noted that, in principle (except notably dividends relating to securities held in a PEA share savings plan), dividends are subject to income tax according to a progressive scale, after applying the 40% allowance specified by Article 158, 3.2 of the French General Tax Code, and that pursuant to the provisions of Article 117 *quater* of the same code, they are subject to a mandatory non-flat-rate tax of 21% of the gross dividend amount.

The Annual General Meeting formally notes that the following amounts were distributed as dividends over the past three financial years:

FINANCIAL YEAR	Distributed dividend per share
2015	€1.25
2014	€0.80
2013	€0.80

Fourth resolution

(Approval of the 2016 consolidated financial statements)

After the presentation of the Board of Directors report including the Group's management report and after the reading of the statutory auditors' general report on the consolidated financial statements for the year ended 31 December 2016, the Annual General Meeting approves the consolidated financial statements as presented, as well as the transactions recorded in these statements and summarised in the reports.

Fifth resolution

(Approval of the agreements specified under Articles L. 225-38 et seq. of the French Commercial Code)

After hearing the statutory auditors' special report on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, the Annual General Meeting approves the agreements entered into during the financial year ended 31 December 2016 and acknowledges continuing agreements entered into in previous financial years.

Sixth resolution

(Directors' fees)

The Annual General Meeting sets the amount of directors' fees to be distributed among the Board members for the year ending 31 December 2017 at € 23,000.

Seventh resolution

(Renewal of the authorisation granted to the Board of Directors for the Company to purchase its own shares)

Further to the proposal by the Board of Directors, in compliance with the provisions of Article L.225-209 of the French Commercial Code, and subject to compliance with the statutory and regulatory provisions applicable at the time, the Annual General Meeting resolves to authorise the Company to buy its own shares on the market and to retain them, subject to a cap equivalent to 10% of the Company's share capital, for the exclusive purposes, in order of priority, of:

- transactions carried out by an investment service provider as part of a liquidity contract drawn up pursuant to the AMAFI (French Financial Markets Association) ethical code,
- coverage of stock option or bonus share allocation schemes,
- coverage of other forms of share allocation to Group employees and/or corporate officers under conditions and according to procedures specified by the law, particularly with regard to Company profit sharing as part of a company savings scheme,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions,
- coverage of debt securities convertible to shares,
- cancelling purchased shares.

The transactions performed as part of a buyback programme shall be carried out pursuant to applicable regulations.

Purchases of shares made pursuant to this authorisation shall not exceed the following price and are subject to adjustments linked to any transaction relating to the Company's capital: the maximum purchase price per share shall not exceed €50 (excluding transaction fees) per share having a par value of €2.

The maximum theoretical amount for carrying out this programme is €11,532,005 (maximum theoretical amount excluding treasury shares), financed either from equity or via short- to mid-term external financing.

Shares may be repurchased by any procedure, including acquisition of share blocks in one or more transactions, including during a public tender period within the limits permitted by stock market regulations.

In case of capital transactions and in particular the capitalisation of reserves, allocation of bonus shares, stock splits or reverse stock splits, the aforementioned prices will be adjusted accordingly.

To this effect, full powers are granted to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, to place trading orders and conclude any agreements, particularly with regard to maintaining registers of share purchases and sales, make any declarations to the AMF (French Financial Markets Authority) and any other bodies, complete any other formalities and generally do all that is necessary.

This authorisation shall be valid until the next Annual General Meeting called to approve the financial statements, and shall not exceed the statutory period of eighteen months as of today.

Every year, the Board of Directors shall inform the Annual General Meeting of the transactions performed pursuant to this authorisation.

B. EXTRAORDINARY RESOLUTIONS

Eighth resolution

(Renewal of authorisation granted to the Board of Directors to reduce share capital by cancelling treasury shares)

The Annual General Meeting, having considered the Board of Directors report and after reading the statutory auditors' special report, authorises the Board of Directors to:

- cancel treasury shares held by the Company or acquired by it as part of the share buyback programme, up to a limit of 10% of the Company's share capital in any period of twenty-four months,
- reduce share capital by the value of the cancelled shares,
- amend the articles of association accordingly and generally do all that is necessary.

This authorisation is granted for a period of eighteen months with effect from this Annual General Meeting.

Ninth resolution

(Powers granted to the Board of Directors to issue any shares and securities giving access to equity securities with preferential subscription rights)

The Annual General Meeting, having noted the report of the Board of Directors and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, notably Article L. 225-129-2, and the provisions of Articles L. 228-91 et seq. of said Code:

1. Grants the Board of Directors, with authority to delegate to the Chief Executive Officer, power to decide on one or more capital increases, in France or abroad, by issuing in euros for consideration or free of charge, Company ordinary shares or any securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for twenty-six (26) months from the date of this Annual General Meeting.

2. a) Resolves that the total nominal amount of capital increases executed immediately and/or in the future may not exceed three million euros (€3,000,000), to which will be added the par value of any future additional shares issued to safeguard the rights of holders of securities giving access to share capital, in accordance with the law;

b) Resolves that the total nominal amount of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), which shall be independent from the cap specified under paragraph 2. a) above.

3. Resolves that:

In proportion to the value of their shares, the shareholders have a preferential right to subscribe to ordinary shares and to the securities issued by virtue of this resolution;

If statutory subscriptions and any additional subscriptions do not account for an entire issue of shares or securities as defined above, the Board may offer any or all unsubscribed securities to the public.

4. Authorises the Board of Directors, with entitlement to delegate to the Chief Executive Officer, during the same twenty-six (26) month term, the power to decide on one or more capital increases by capitalisation of additional paid-in capital, reserves, retained earnings or other accounts, for which capitalisation is permitted under law and the articles of association, by means of issuing bonus shares and/or raising the par value of existing shares.

Should the Board of Directors implement this authorisation and in accordance with the provisions of Article L. 225-130 of the French Commercial Code, resolves that rights to fractional shares shall be neither negotiable nor transferable and that they will be sold, proceeds therefrom being allocated to holders of such rights to fractional shares within the period specified under applicable regulations.

Resolves that the total nominal amount of the capital increases carried out hereunder, to which will be added the par value of any additional shares issued in the future to safeguard the rights of holders of securities giving access to share capital in accordance with the law, may not exceed the value of the reserve accounts, additional paid-in capital or retained earnings referred to above as at the capital increase date and shall not be deducted from the overall cap specified under 2. (a) above.

5. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

6. Resolves that the Board of Directors shall be fully entitled to implement the authorisations referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note completion thereof and to amend the articles of association accordingly.

7. Takes note that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94, as amended by French ordinance dated 31 July 2014 relating to issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

8. Takes note that the aforementioned powers render null and void any previous powers granted for the same purpose.

Tenth resolution

(Powers granted to the Board of Directors to issue any shares and securities giving access to equity securities without preferential subscription rights)

The Annual General Meeting, having taken note of the Board of Directors report and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

1. Grants the Board of Directors, with authority to delegate to the Chief Executive Officer, power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for a maximum twenty-six (26) month term from the date of this Annual General Meeting.

2. a) Resolves that the total nominal amount of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000), this amount being deducted from the cap specified under 2.a) of the ninth resolution.

b) Resolves that the total nominal amount of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the cap specified under paragraph 2.b) of the ninth resolution but not from the cap specified under paragraph 2.a) of this resolution.

3. Resolves to waive shareholders' preferential subscription right to securities which will be issued under this resolution.

4. Resolves that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a significant period.

5. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

6. Resolves that the Board of Directors shall be fully entitled to implement this authorisation, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

7. Takes note that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94, as amended by French ordinance dated 31 July 2014 relating to issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

8. Takes note that the aforementioned powers render null and void any previous powers granted for the same purpose.

Eleventh resolution

(Power granted to the Board of Directors to issue shares and securities giving access to the Company's share capital by offers to persons specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without shareholders' preferential subscription rights)

The Annual General Meeting, having taken note of the Board of Directors report and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code and Article L. 411-2 (II) of the French Monetary and Financial Code:

1. Grants the Board of Directors, with authority to delegate to the Chief Executive Officer, the power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital, by a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without shareholder preferential subscription rights, for which subscription may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for a maximum twenty-six (26) month term from the date of this Annual General Meeting.

2. Resolves that the total nominal amount of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000) and, with regard to a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, may not exceed, under any circumstances, 20% of the Company's share capital per year, it being specified that this amount shall be deducted from the cap set under paragraph 2. a) of the ninth resolution.

3. Resolves to waive the shareholders' preferential subscription right to securities which will be issued under an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code and pursuant to this resolution.

4. Resolves that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a significant period.

5. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

6. Resolves that the Board of Directors shall be fully entitled to implement this authorisation, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities so as to properly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

7. Takes note that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94, as amended by French ordinance dated 31 July 2014 relating to issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

8. Takes note that the aforementioned powers render null and void any previous powers granted for the same purpose.

Twelfth resolution

(Authorisation for the Board of Directors to increase the number of shares to be issued in the event of over-subscription)

Subject to the adoption of the ninth, tenth and eleventh resolutions, the Annual General Meeting, having noted the Board of Directors report and the statutory auditors' special report, for each of the issues resolved upon in accordance with these resolutions, authorises the Board of Directors, with entitlement to delegate to the Chief Executive Officer, to increase the number of shares to be issued in accordance with Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, and within the planned overall cap of said resolutions, should the Board of Directors encounter excess subscriptions.

The authorisation thus granted to the Board of Directors is valid for twenty-six (26) months from the date of this Annual General Meeting,

Thirteenth resolution

(Authorisation for the Board of Directors to decide on a capital increase reserved for members of savings plans with waiver of the preferential subscription right in favour of such persons)

The Annual General Meeting, after having read the Board of Directors report and the statutory auditors' special report, and applying the provisions of Article L.225-129-6 of the French Commercial Code, grants the Board of Directors, with effect from today and for a period of twenty-six (26) months, full powers, with the option of delegating these powers to the Chief Executive Officer, to carry out, at its sole discretion, one or more capital increases pursuant to the conditions set forth in Articles L.3332-18 et seq. of the French Labour Code, at such times as it shall decide, for a maximum nominal amount of three hundred thousand euros (€300,000), reserved for members of a company savings plan in the form of an FCPE employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code.

The price shall be determined in accordance with the law and, in particular, with the objective methods established for valuing shares. The subscription price shall not be higher than the subscription price thus determined or more than 20% lower than this price (30% when the lock-up period set out in the plan in accordance with Articles L. 3332-25 and 3332-26 of the French Labour Code is 10 years or more); however, the Board of Directors could reduce this discount at its own discretion, in particular should an offer be made to company savings plan members of securities on the international market and/or abroad in order to meet the requirements of local applicable laws.

The Annual General Meeting grants the Board of Directors full powers to implement this authority, and in particular to decide on any capital increases in accordance with the aforementioned conditions, to approve the terms and conditions applicable to such capital increases, and in particular to set the issue price of the shares according to statutory limits and those set out by this Annual General Meeting, to decide upon the opening and closing dates for subscriptions and, generally, to ensure due completion of any transactions which are part of the capital increases and to amend the articles of association accordingly.

The Annual General Meeting formally notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Fourteenth resolution

(Waiver of preferential subscription rights in favour of employee members of company savings plans)

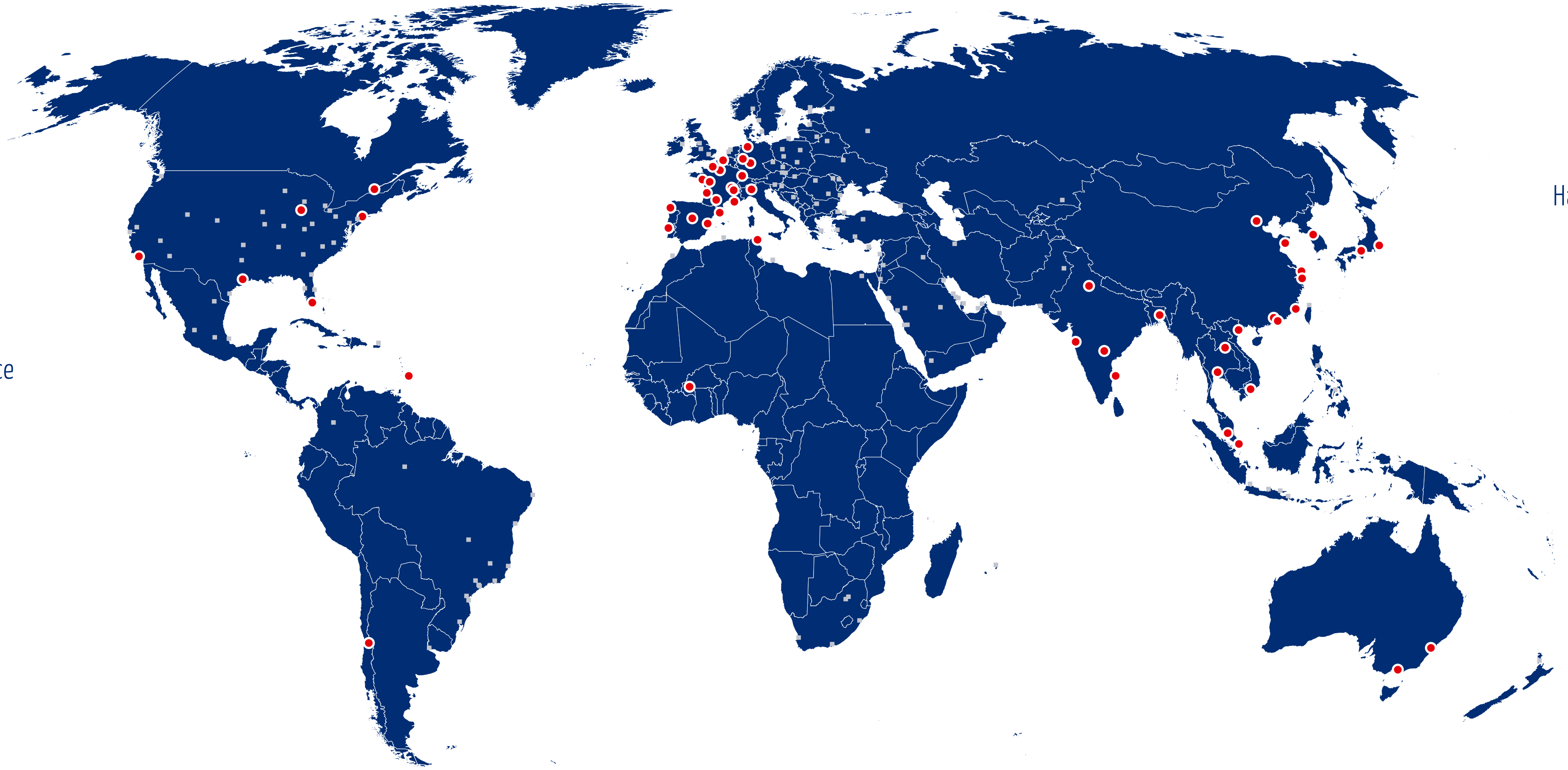
The Annual General Meeting, after having read the Board of Directors report and the statutory auditors' special report, resolves to cancel the shareholders' preferential subscription right to ordinary shares to be issued subject to the authorisation pursuant to the thirteenth resolution above, in favour of members of a company savings plan in the form of an FCPE employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code.

Fifteenth resolution

(Powers for formalities)

The Annual General Meeting grants full powers to the bearer of originals, copies or extracts of these minutes, for the purpose of completing all the required formalities for filing these minutes, in addition to any other formalities incumbent upon the bearer.

CLASQUIN WORLDWIDE NETWORK



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