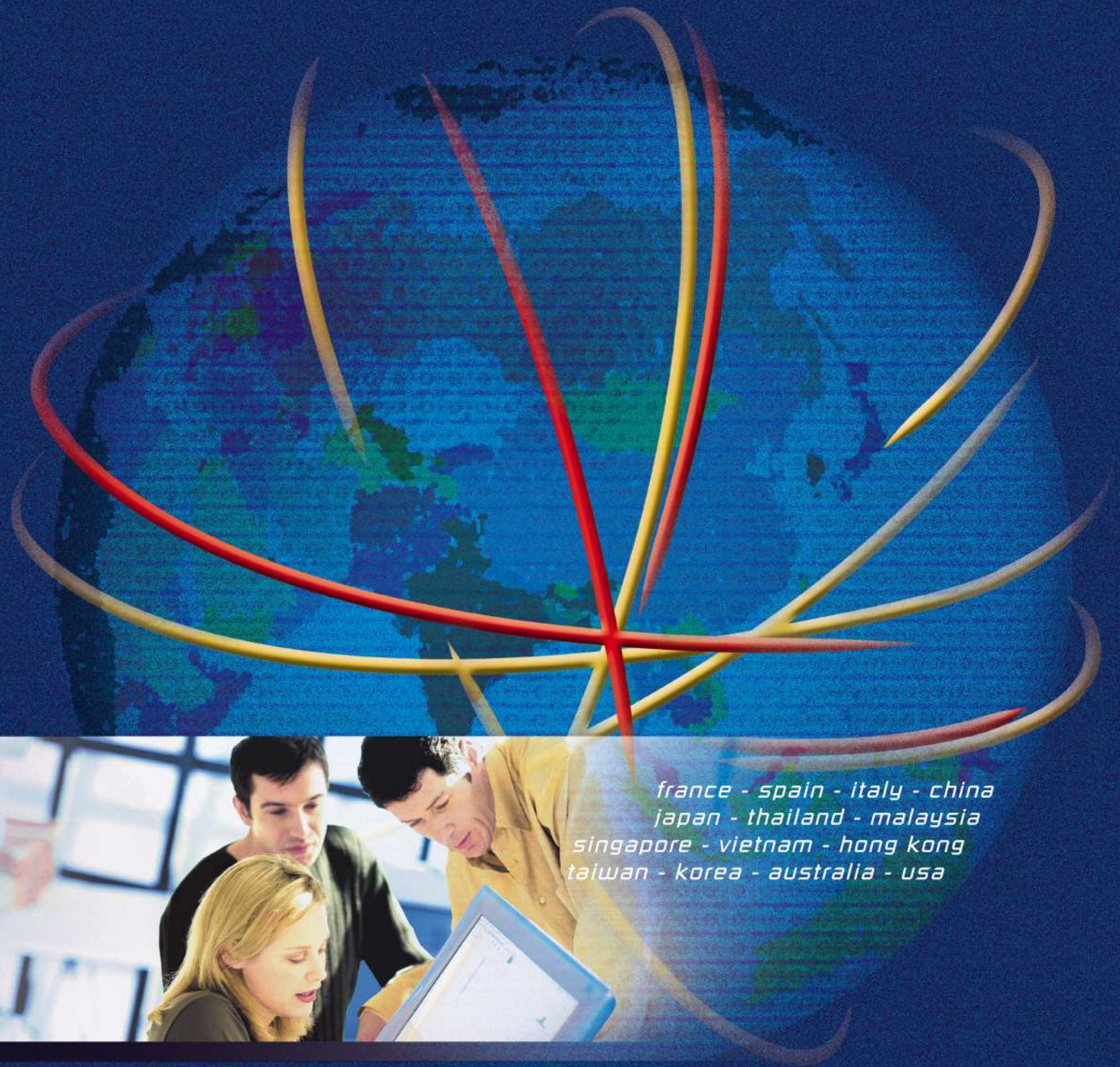


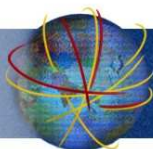
ANNUAL REPORT 2005



*france - spain - italy - china
japan - thailand - malaysia
singapore - vietnam - hong kong
taiwan - korea - australia - usa*

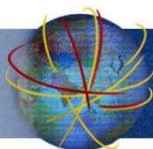


CLASQUIN
OVERSEAS FORWARDING AND LOGISTICS



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THE CHAIRMAN'S MESSAGE

2005 was an excellent year with sales rising 30%, gross profit 23.5% and net profit 86%. We are one year ahead of our Business Plan 2008 that started on 1 January 2004.

In an extremely dynamic environment for global exchanges, we continued to out-perform the market and take on new customers. The air freight grew by 27% and the sea freight by 38%. These results substantiate the relevance of our Business Model (with no physical assets and specialising only in the overseas segment) and the quality of our offer. In the last two years, we reaped the rewards of the substantial investments made over the years in order to build up a very solid base on which we can now develop a profitable, clear and ambitious strategy.

This growth was based on the following four strengths :

- *People : top-level international management with 30% of executives with over 10 years in the company. Highly motivated operational teams, whose professionalism and enthusiasm form the Group's strength to maintain a very high rate of growth,*
- *Our powerful and efficient IT tool covers all the services provided by CLASQUIN : operations, customer relations, traceability, accounting and financial control,*
- *The international network, with 33 offices on 4 continents,*
- *And, a customer portfolio of a very high quality which fully validates the relevance of our offer.*

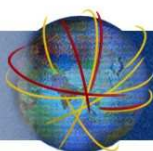
In 2006, as in 2005, the Group's energy is entirely focused on ongoing sustainable and profitable growth. With our position as a Pure Player of air and sea freight forwarding and a scale especially adapted to market expectations, CLASQUIN is well placed to continue its development in the promising Asia-Pacific markets. In this context, we will naturally pursue our development strategy by continuing to enhance our offer, strengthen our sales force and build up our network.

I would like to end this introduction by thanking all the shareholders who placed their trust in us and who took part in the success of the market launch and the start of our stock exchange adventure.



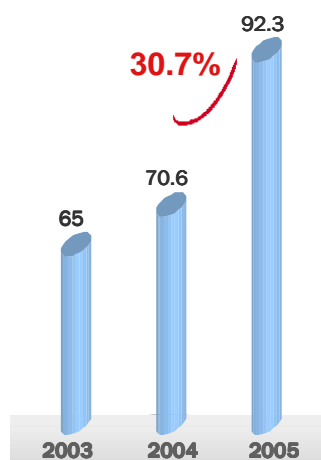
Yves Revol
Chairman and CEO



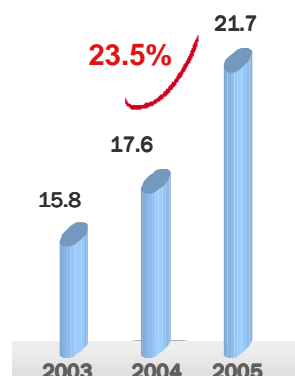


CLASQUIN 2005, FINANCIAL OVERVIEW

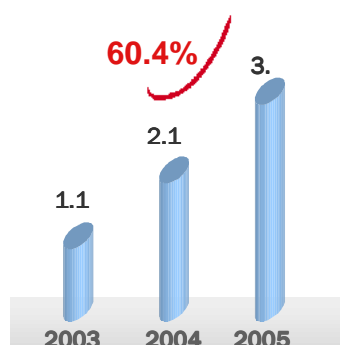
Change in consolidated sales (in € millions)



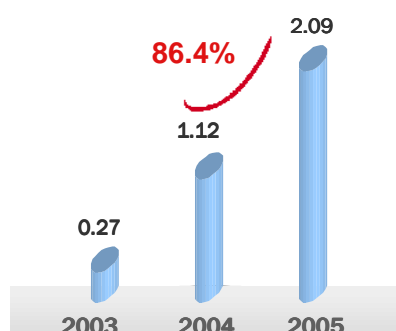
Change in gross profit (in %)



Change in annual accounts EBIT (in € millions)

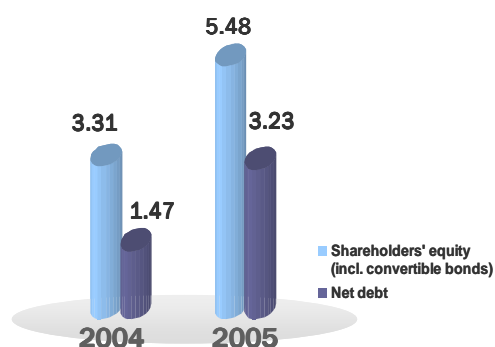
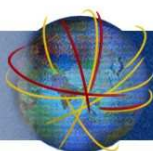


Change in net attributable profit (in € millions)



Income statement

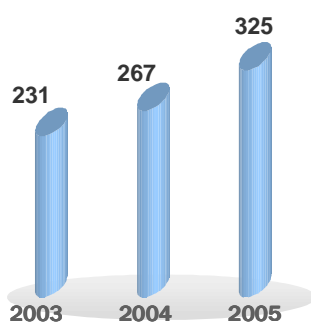
In € millions	2003	% G.P.	2004	% G.P.	2005	% G.P.
Sales	65.08		70.63		92.3	
Gross profit	15.75	100%	17.56	100%	21.68	100%
EBITDA	2.27	14.4%	3.27	18.6%	4.30	19.8%
EBIT	1.13	7.2%	2.08	11.8%	3.33	15.4%
Financial result	(0.28)	- 1.8%	(0.31)	- 1.8%	(0.36)	-1.7%
Exceptional result	(0.30)	- 1.9%	(0.42)	- 2.4%	(0.24)	-1.1%
EBT	0.55	3.5%	1.35	7.7%	2.73	12.6%
Consolidated net earnings (after minority interests)	0.27	1.7%	1.12	6.4%	2.09	9.6%



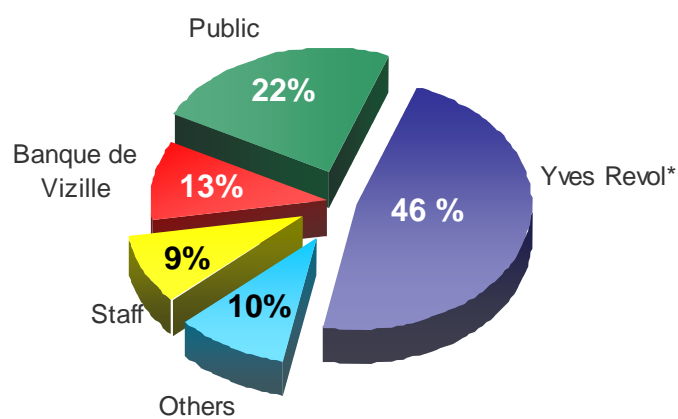
	2004	2005	2005 Retraité*
Gearing (not incl. factoring)	44,46 %	59,11 %	37,19 %
Return on equity	34,56 %	39,79 %	39,79 %
Return on capital (not incl. factoring)	40,86 %	36,04 %	41,42 %

* adjusted from settlements to airline companies by the end of December: € 1.2 million

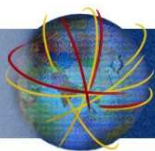
Staff evolution



Shareholding after the IPO (in %)



* directly and indirectly



CLASQUIN, A UNIQUE PLAYER IN ITS MARKET

Air and sea freight forwarding and Overseas logistics

A unique player in its market : air and sea freight forwarding engineering and overseas logistics

A specialist in air and sea freight forwarding engineering and overseas logistics, CLASQUIN controls and organises the flows of customer merchandise, between France and the rest of the world, especially to and from Asia Pacific and the USA.

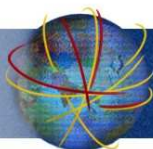
CLASQUIN offers high value-added services in global management of the Supply Chain, creating and guiding transport solutions and made-to-measure overseas logistics, selecting and coordinating a network of quality sub-contractors and managing all documentary, regulatory, banking and customs aspects of customer merchandise. CLASQUIN thus combines the business of international freight forwarding organiser and customs broker.

With a presence on 4 continents, CLASQUIN employs 325 people, 157 of which are in France, and has an **international network** of 33 operational offices organised into 14 subsidiaries in 14 countries.

A specialist position

Pure Player of the air and sea freight forwarding market and the only multinational SME in the sector, CLASQUIN is a forerunner in Asia (offices first set up in 1983) and the only French company of its size with an integrated international network.





Stages of development

In 1983, within the framework of a MBO, Yves REVOL, at that time Sales Manager of CLASQUIN, bought the company. CLASQUIN had two offices : one in Lyons and one at Lyons airport. The company posted sales of € 1.5 million and employed 15 people.

From 1983 to 1990, CLASQUIN specialised in air freight engineering and expanded abroad.

Guided by a visionary strategy, the group found a niche position : exporting by air from France to Asia Pacific. This period was marked by the opening of an agency in Paris (Roissy CDG) and 9 commercial branches in the main cities in Asia Pacific.

In 7 years, CLASQUIN became one of the leaders on the France/ASPAC route.

Between 1991 and 1993, CLASQUIN started a second phase in its development. The commercial offer extended to sea freight import and export. Log System, the group IT subsidiary, designs and develops IT tools adapted to the business (traceability and real-time monitoring of merchandise, performance measurement, etc.) that will progressively be deployed throughout the network.

Until 1999, CLASQUIN developed its international network by changing its commercial delegations into operational offices. It set up in the US (by acquisition), Italy and Spain and now has a powerful network in its own name. Group sales rose from € 25.8 million in 1994 to € 48.2 million in 1999.

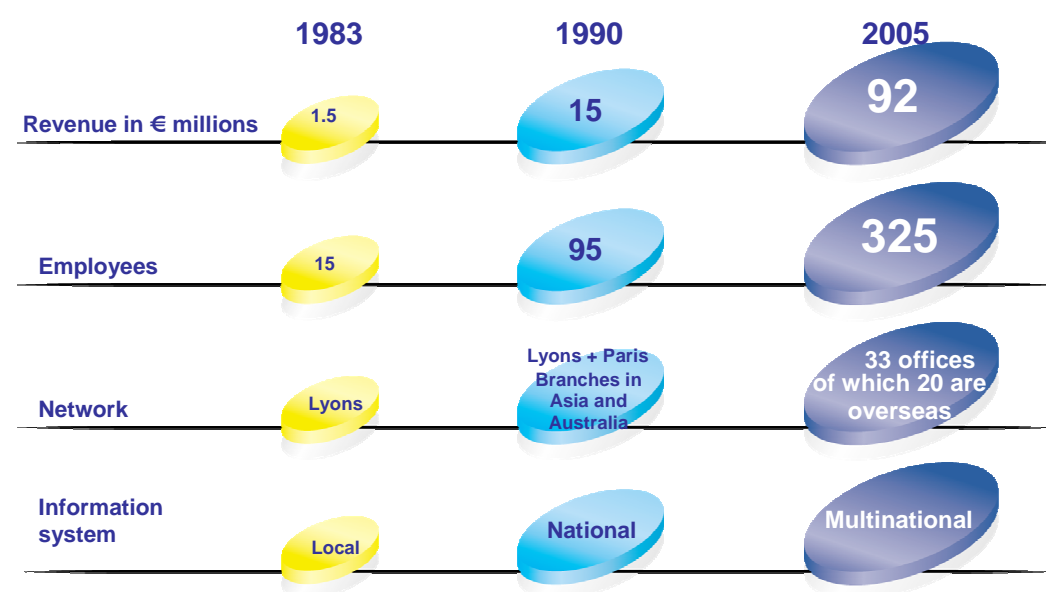
From the beginning of 2000 until 2003, CLASQUIN built up its information system and development platform. Several unique account management tools were installed (reporting, clearing office, etc.). During that period, the group integrated high value-added, made-to-measure services upstream and downstream of its commercial offer. Now that the back office was perfectly organised, the group concentrated on the front office by recruiting account managers and salespeople to stimulate growth.

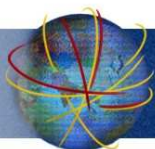
CLASQUIN has become a global player in Supply Chain Management in the overseas segment.

In 2004, the Banque de Vizille bought into group capital.

On the strength of that, in 2004, CLASQUIN launched its 2008 Business Plan, as the company was of a sufficient scale to generate a dynamic of significant growth and profitability.

Successful development





A UNIQUE POSITIONING

Turnkey solutions in the service of performance

Our business : overseas

CLASQUIN has the position of architect and prime contractor for the entire transport and overseas logistics chain :

- It creates and organises air and sea freight forwarding solutions and logistics operations, warehousing or distribution upstream and downstream in overseas transport.
- It selects and coordinates a network of quality sub-contractors.
- It is the unique intermediary for customers from one end of the process to the other.



The offer is built around three basic principles :

- High-level teams with developed professional skills (understanding of international freight, local and international regulations, customs duties, insurance, international banking regulations, etc.),
- Its own international network,
- An integrated IT system (global management of operations from taking charge of merchandise to invoicing, settlement and reporting).



A made-to-measure offer

CLASQUIN proposes made-to-measure solutions adapted to the needs and specific demands of every customer, but also to the types of merchandise and the geographic areas concerned.

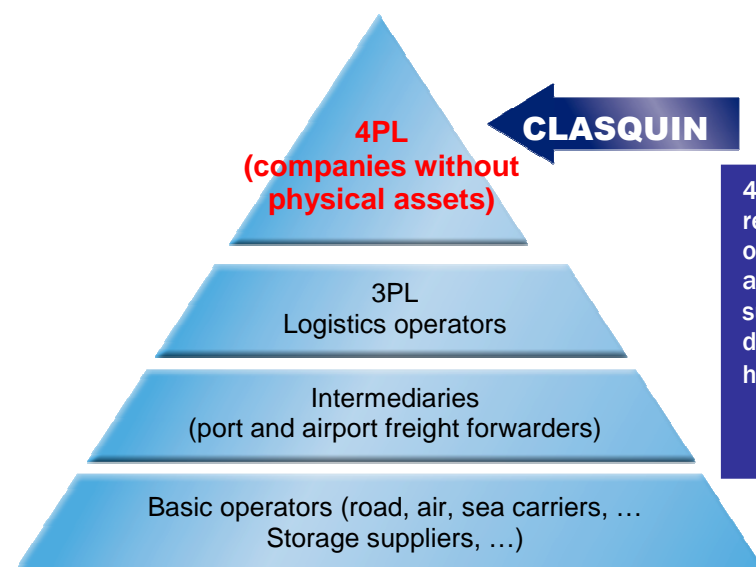
This complete optimisation of all operations in the freight and overseas logistics chain enables group customers, by entrusting us with this task, to concentrate on their business, gain in productivity and to improve their own customer service.

These solutions include numerous domains of expertise :

- the choice of the best adapted transport and overseas logistics solutions,
- comparison of offers, gauging and reliability of deadlines,
- optimisation of costs and assuming transactions vis-à-vis sub-contractors,
- customs operations (import and export formalities),
- drafting of transport contracts and logistics services that commit the various parties (loader, order-taker, transporters, sub-contractors, recipient),
- maintaining a network of stable and durable international skills (agencies, subsidiaries, correspondents, sub-contractors, etc.),
- Fluidity and quality of the IT system (traceability, pooling of information and documentation, etc.).

A high value-added business

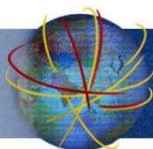
With no management constraints with regard to transport means (unlike transporters), CLASQUIN deals with these different skills and know-how, generating efficient solutions to make exchanges with customers harmonious, fluid and secure, especially as the international operations are becoming increasingly strategic and complicated.



4PL : Fourth Party Logistics Provider

Source : Les Echos / Merrill Lynch

4PL are companies free of constraints related to the physical means of transport or storage. They organise, direct, control and optimise flows of merchandise and sub-contractors involved upstream and downstream transport and thus supply high value-added services.



The key factors of success

People, the group's main strength

The cornerstone of CLASQUIN culture is the management of human resources, at the very heart of the organisation, enabling the creation of top-quality teams. CLASQUIN is highly selective in recruiting, with a pronounced multicultural approach (90% of employees are bilingual and graduates). **Management is stable and experienced** (30% of executives have more than ten years experience). **The operational and sales teams are international with specific expertise** (international regulations, customs law, insurance law, banking regulations, etc.).

Thanks to its policy of stressing human values, CLASQUIN has proved its ability to recruit talent and hold on to it (low turnover).

A substantial part of the group's success lies in the **strong motivation and involvement** of the teams (organised in autonomous profit centres). Acquiring new skills is encouraged and in-house promotions are preferred. The average age is in the region of 30, and the average time of service with the company is 8 years. There is a **strong sense of belonging in the group**.

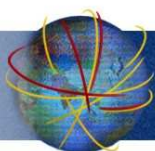


A powerful integrated international network

CLASQUIN manages import and export flows mainly between France and overseas (Asia-Pacific and USA), but also from Southern Europe (Spain and Italy), to the USA and Asia Pacific, and between Asian countries.

Positioned and specialised since 1983 on the Europe/Asia-Pacific routes then Asia-Pacific/Europe, CLASQUIN took full advantage of the economic boom in the Asia/Pacific zone in international exchanges thanks to a structured local network (16 offices) and perfect knowledge of local markets, which are considerable competitive advantages. Since 1993, CLASQUIN set up in the USA with 4 offices.

Present on 4 continents, Europe, Asia, America and Oceania, CLASQUIN has an international network of **33 operational offices, within 14 subsidiaries and in 14 countries**.



Each office has a manager, a sales and administrative team and a customer service department. CLASQUIN group subsidiaries are aware of the local economic systems, with teams that fully understand commercial practices, cultural habits and applicable local legislation. CLASQUIN offers solutions and operators, which are most suitably adapted for each operation, both in terms of quality and cost. Finally, the integrated network is a guarantee of increased security in following up of merchandise and proximity vis à vis customers.

The Clasquin network

- **16 offices in Asia-Pacific** (*Bangkok, Beijing, Guangzhou, Ho Chi Minh, Hong Kong, Kuala Lumpur, Melbourne, Ningbo, Osaka, Pyongyang, Seoul, Shanghai, Singapore, Sydney, Taipei, Tokyo*).
 - **Forerunner on the France-Asia route : first installations in 1983**
- **North American development as of 1993** (*New York, Atlanta, Cincinnati, Los Angeles*)
- **A tight proximity network in France and Southern Europe :**
 - **11 operational offices throughout France** (*Bordeaux, Brest, Grenoble, Le Havre, Lille, Lyons, Marseilles, Nantes, Paris, Toulouse, Tours*)
- **2 local offices in Southern Europe** (*Barcelona, Milan*)

USA
(since 1993)
4 offices

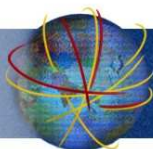
France and
Southern Europe
13 offices

Asia-Pacific
(since 1983)
16 offices



For the rest of the world, CLASQUIN also works with the agents network WFA (World Freight Alliance), which is present in 130 countries and of which it is a founding member.





Highly efficient IT tools

From 1990 onwards and given the strategic aspect of mastering IT tools, CLASQUIN invested in the development of its systems internally.

Today, CLASQUIN is the only operator of its size and in this segment to benefit from such a degree of hardware and technological performance.

Through the intermediary of its subsidiary Log System, CLASQUIN has developed systems dedicated to optimising services and customer information in real time over the whole international network, also connecting to third parties such as customers or suppliers.

- E-tracing allows one to follow a shipment wherever it is and wherever one is in the world and be informed in real time of the customer code, the number of the CLASQUIN file and the container, the ship's name, the air transport letter, ETD and ETA, etc, ...
- Orchid was developed as an interface to adapt to customer information systems, instructing the logistics process used and answering specific expectations in terms of order processing, storage, control of merchandise, distribution, invoicing, etc.
- Aeolus is the integrated management system developed by CLASQUIN to optimise monitoring and measure the operational efficiency of affairs handled. It offers real time visibility throughout the process.

Each has its own CLASQUIN IT tools and is connected to the central database, both for commercial information and information concerning Group management. Management thus knows in almost real time the commercial and financial performance of each profit centre (contract monitoring as well as the margin of each contract). Finally, each office works in a network with the other Group offices, each being considered as a customer apart.

The CLASQUIN IT system profits fully from development investments already made and is now well positioned to absorb future growth.



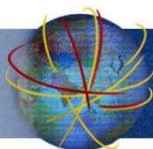
A portfolio of prestigious customers, the guarantee of our quality

A real creator of value for the companies it works with, CLASQUIN has gradually broadened its field of operations thanks to personalising its offer addressing both international SMEs and major accounts. CLASQUIN works in a large range of domains : **consumer goods, fashion and luxury, capital goods, pharmaceuticals and cosmetics, public retailing, wines and spirits, etc.** For example :

ABB, CARREFOUR ASIA, CASINO, CATIMINI, CHANTELE, DAMART, DANFOSS,
DDP, GERFLOR, HAULOTTE, HYUNDAI ELEVATOR, KENZO, KING JOUETS, LA
REDOUTE, LE TANNEUR, LACOSTE, LANVIN, MANGO, MICHELIN, MITSUBISHI,
MITSUI & CO, PROMOD, QUICKSILVER, RIPCURL, SAINT- JAMES, SALOMON,
SAMSUNG, YAMAMOTO, ...

⇒ **The top 30 customers represent less than one third of sales**

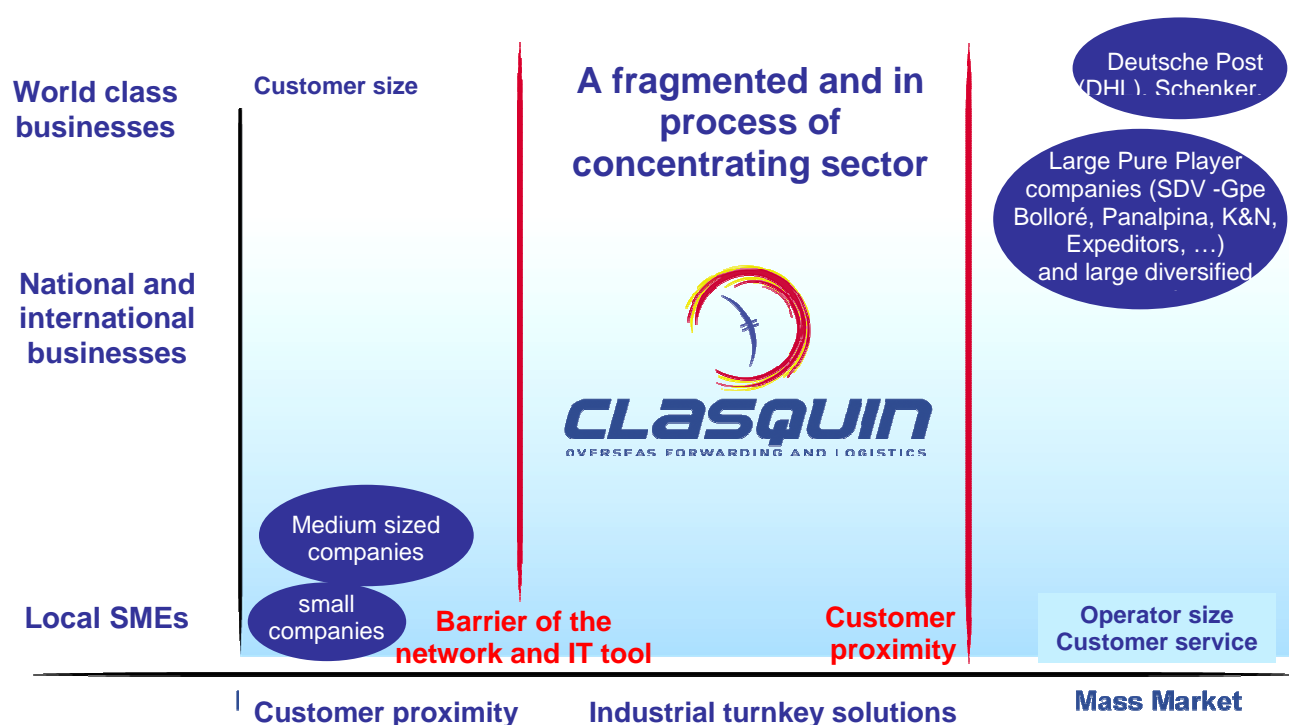
CLASQUIN has earned the confidence of prestigious customers, major players in their area of operation, thanks to the quality and very high value-added nature of its offer **(50% of the top 20 have been customers for more than 10 years).**



The only multinational SME Pure Player of the air and sea freight forwarding overseas

Positioned within a fragmented and concentrated market, CLASQUIN is the only multinational SME Pure Player of the air and sea freight forwarding overseas. This unique position is strengthened by its position of forerunner overseas, by its international network and integrated IT tools, which form substantial barriers to entry for newcomers.

CLASQUIN, given its dimension and organisation, offers customers an industrial turnkey service, **with the best compromise between size and adaptability.**

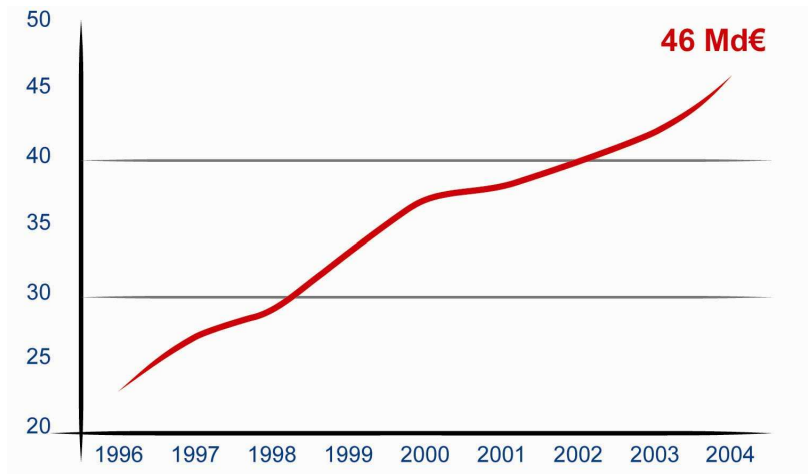




A fast-growing market

Globalisation has intensified economic exchanges, especially in Asia, which is rising exponentially. A phenomenon that benefits the air and sea freight forwarding sector, which is posting high growth rates especially on the Asia-Europe, Asia-North America axes and inter-Asian routes.

Explosion of exchanges from Asia to France



Today the world air freight market has reached \$ 90 billion and sea freight \$115 billion.

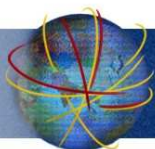


The growth of world air freight is expected to rise 6% a year by 2020 (source OECD). Air freight within Asia is rising 8.5% a year, of which + 14% is represented by China (source IATA).



The growth of world sea freight is expected to rise 8.5% a year by 2020 (source OECD). The growth rate in the number of sea freight containers is three times greater than the world GDP growth rate.

The strategic and original choice in 1983 to develop Asia-Pacific strengthened CLASQUIN in its position as forerunner and leader overseas. With international exchanges rising every year, it appears quite clearly that the most dynamic zone is, and will be for many years, Asia, with China as the genuine growth driver.



Development strategy

CLASQUIN's development strategy is based on two priority strategies in a very positive global situation.

All the growth levers are positive and are of a lasting nature :

- The group is positioned for faster growth. People and the organisation, the integrated international network and the efficient IT system form the basis of this growth.
- A unique positioning for a multinational SME in a very favourable competitive environment (giants vs miniature companies).
- A rapidly developing market with prospects for very sharp growth in Asia, CLASQUIN's preferred stamping ground.

The CLASQUIN strategy is focused on two areas :

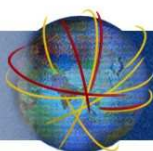
1° - Continue the current growth strategy :

- Pursuing the policy to enhance the offer by recruiting marketing skills (high value-added sectors like luxury goods, pharmaceuticals, wines & spirits, etc.) and technical skills (international road, specialist logistics, etc.).
- Developing growth in its business, air and sea freight forwarding Overseas :
 - Increase the sales force
 - Develop the extension and densification of the international network :
 - new commercial agencies to be closer to the customer and win new markets : **China** (Tianjin, Dalian, Xiamen), Japan (Nagoya), **India** (New Delhi),
 - new operational offices in zones of potentially good business or in transit platforms : France (Strasbourg), Belgium (Antwerp),
 - especially develop our presence in **North America** (Montreal, Chicago, Dallas, etc.).

2° - Accelerate group performance by acquisitions (selective / within its market segment).

The deployment of these growth levers and strategy will result in sharp acceleration of group growth and results.

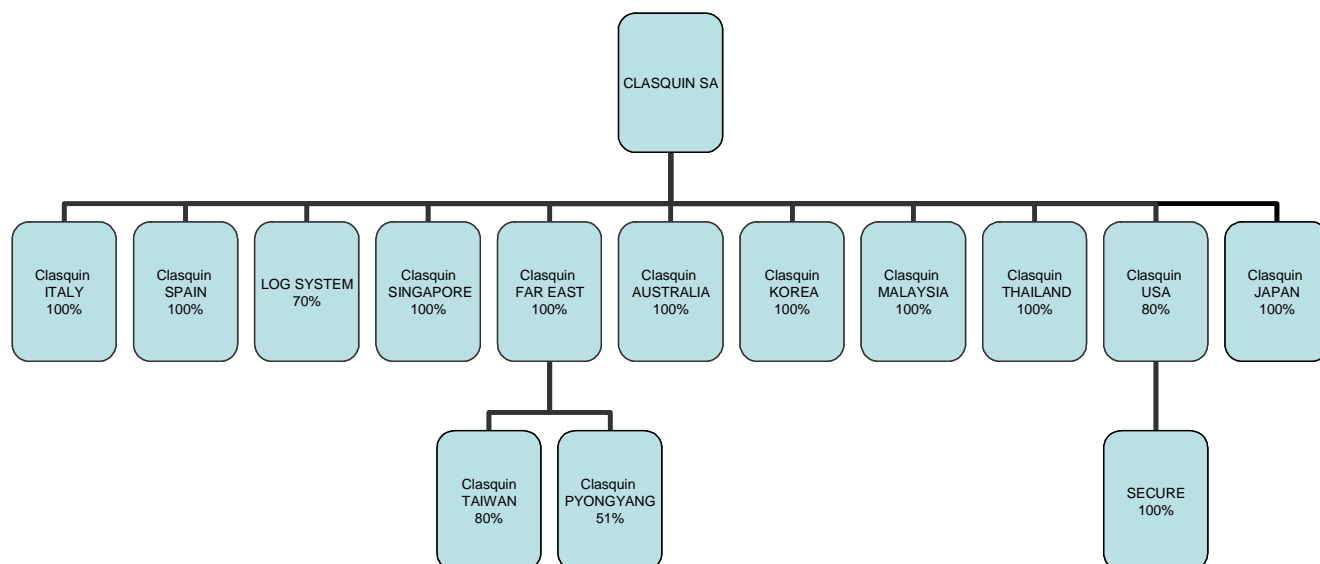




ORGANISATION AND OPERATION

Legal organisation

As of 31 December 2005, the parent company directly controls all of the following :



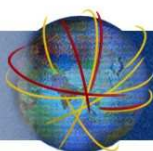
Operational organisation

Board of Directors

The Board of Directors defines company strategy, assesses projects, appoints company directors, oversees management and monitors the quality of information given to shareholders.

The Board of Directors met eight times in 2005. The average attendance rate of Directors (by attendance or by proxy) during 2005 was 95.83%.

- OLYMP SA, represented by Philippe LE BIHAN
- Yves REVOL
- Philippe LONS



Management Committee

Yves REVOL – 58 - Chairman of the Board and CEO



“Our strategy is clear : to follow a strong and long-lasting growth in our core business – air and sea freight forwarding – achieving performance ratios amongst the best in our business”

With a M.A. in economics and international experience at the CFAO, Yves REVOL joined CLASQUIN in 1977 where he held positions as a sales engineer, sales manager and CEO. In 1983, he bought CLASQUIN, which was achieving sales of about €1.5 million at the time. Yves REVOL is also Chairman of the Foreign Trade Council in Rhône-Alpes.

Philippe LONS – 42 – Deputy General Manager and CFO

“We have built an incredible platform for development. Today, the company is positioned at all levels to absorb a very strong growth.”

A graduate from EM Lyon, he joined CLASQUIN in 1986 working at their Hong Kong Office, where he held the positions of sales delegate, head of the subsidiary then regional manager.

In 1991, Philippe LONS returned to France, to become CFO in 1995.

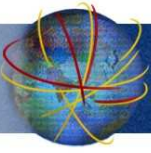


Serge RENAULT – 59– Deputy General Manager and Managing Director France



“Our network of local offices throughout France, allows us to offer customers suitable and made-to-measure solutions.”

With an Engineer's degree from ESTP, M.A. in economics and a MBA from HEC, Serge RENAULT has worked for more than 30 years in the transport sector, 20 years of which have been in management positions in shipping and transport.



Didier VANDERPERRE – 43– Chairman of Clasquin USA



“The Asia-North America axis is clearly benefiting from the sharp rise in global exchanges.”

A graduate from the Ecole Supérieure de l'Administration du Commerce et Industrie, Didier VANDERPERRE started his career with Transports FATTON as Manager of North America. He joined CLASQUIN in 1993.

Laurent BOUFFANET – 38– Managing Director of the Asia-Pacific zone

“Our presence in Asia-Pacific for the last 20 years reinforces our position as a major player in overseas exchanges”

With a diploma in business law and a graduate from the Ecole de Commerce EM Lyon (CESMA MBA), Laurent BOUFFANET has held various positions at CLASQUIN; in charge of a profit centre in Osaka, then director of the subsidiary in Japan in Tokyo, then General Manager based in Lyon. Currently in Singapore, he is in charge of the Asia Pacific zone.



Mina KHALIL – 50– Head of Human Resources, France



“We recruit talented people and have proved our ability to keep them. Our teams are highly motivated and concerned by company growth.”

With a DESS in company management & administration and a Masters in Sociology, she worked as Head of Human Resources for the Hygena Cuisine group, French subsidiary of the MFI group (UK), European leader in furnishing (9,000 employees), and Deputy Head of Human Resources at CGI, subsidiary of Société Générale. She joined the CLASQUIN team in July 2005 as Head of HR, France.



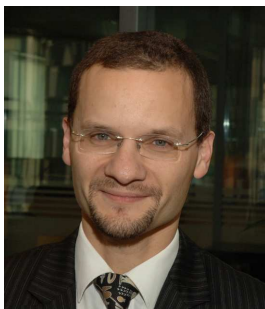
Philippe LE BIHAN - 50– Manager of Log System, subsidiary of CLASQUIN

“We soon discovered the strategic interest of controlling information systems and developed our tools internally.”

After a time with ITS Europe as head of import then chief of operations, Philippe LE BIHAN joined TRAMCO France as head of operations for 7 years. In 1987, he participated in the creation of LOG System, a joint subsidiary of CLASQUIN and TRAMCO France. Since 1991, he is the manager of LOG System, concentrated on developing software for the transport sector.

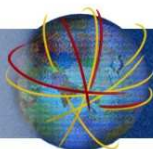


David CANARD-VOLLAND - 38– Group Manager IT & Process



“We know the sales and financial performances of our profit centres practically in real time.”

With a MIAGE diploma, he is in charge of the CLASQUIN group information system, its deployment and efficiency of its use. David CANARD-VOLLAND has 12 years of IT experience including 8 years in consulting /service, with positions ranging from software engineer to project manager, then pre-sales consultant before joining CLASQUIN in 1999.



SUSTAINABLE DEVELOPMENT

Company and employee policy

The Group's human resources policy has helped develop a strong corporate culture, by reconciling the interests of the company, the employees and shareholders.

For some years now, CLASQUIN has opted to hire top-level staff, with a high degree of education and multi-lingual, combining skills in creation, management and steering international logistics solutions.

This extremely selective approach to recruiting is unusual, given the size of the group, and is one of the basic keys to the company's success. It is also an element of CLASQUIN's image of quality.

Human resources are one of the strengths in group development and a means to achieve its ambitions. In this regard, the group already had a manager of human resources for France, and at the beginning of 2006, decided to hire someone to run international human resources.

Furthermore, CLASQUIN set up a human resources department committee, the driving force behind this policy. During their monthly meetings, it deals with the remuneration policy, current or future recruiting and all other subjects relating to human resources policy.

An optimised recruiting policy

The recruiting of each and every member of staff is the subject of an in-depth selection process. Every application is very closely examined and great care is given in interviews in order to confirm suitability between the skills and experience of the candidate in relation to the specifics of the position to be filled.

Beyond validation of the candidate's suitability for the job, the interview phase particularly aims at assessing the capacity of a future employee to integrate into the group and their adhesion to corporate culture.

Top-level teams

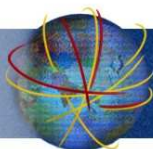
To create and steer the made-to-measure industrial aspect of transport and overseas logistics, the group deploys top-level human skills.

The group has always been very attached to the quality of its teams, technical skills and know-how necessary to succeed with customer projects.

CLASQUIN has managed to attract, motivate and keep high-level staff, which share and maintain a very international culture developed by the group (mobility, skill in languages, mixed culture teams, etc.)

The skills to be found at CLASQUIN are :

- Managers or profit-centre executives with recognised experience in air and sea freight forwarding as well as overseas logistics.
They are accustomed to managing complex processes, analysing requirements, advising, anticipating, developing and steering original, efficient, fast and secure solutions, with the objective of offering the best in quality / price / performance;



- Business executives, experts in air and sea freight forwarding plus logistics, storage and distribution, at ease with international business operating techniques, and specialists in overseas practices; They handle relations with our customers and suppliers on a daily basis. Their expertise is fundamental to company performance.
- Specialists in various back-office businesses (IT, administrative management, accounting and financial, legal, human resources, etc.). Acting as support to the front-office, professionals in their businesses, they anticipate economic or functional changes and adapt to international constraints (time zones, languages spoken, foreign exchange problems, etc.) as well as changes in law.
- Specific expertise : Customs.
As a customs agent, CLASQUIN takes care, in its name, of all administrative customs formalities in the import or export of goods. CLASQUIN SA has the authorisation to practice, as the business of customs agent is tightly controlled in French law.

CLASQUIN customs agents particularly intervene upstream as real consultants, sometimes several months before importing goods of their customers so as to orientate them in their choice of origins, or materials, and help them optimise their procurement flows.

CLASQUIN now has a high-level and stable workforce. More than 50% of the staff are graduates and 80% are bilingual. Ten languages are currently spoken. The group also encourages geographic mobility and develops a multicultural internal policy blending miscellaneous origins and cultures within the agencies and subsidiaries. CLASQUIN valorises the professional experience of each individual thanks to a sustained promotion policy.

The expertise, skills and motivation of CLASQUIN teams is the key factor in group success.

Strong corporate culture

Professionalism, commitment and integrity are the three values underlying CLASQUIN culture.

By fully embracing them, our staff give customers and the various service-providers a strong image of quality. Deploying this approach every day, they play an essential role in promoting the group and increase the development dynamic.

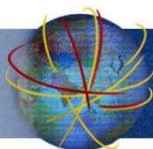
Economic performances and personal development

The Clasquin group affords a great deal of importance to economic performance without losing sight of employee development.

In this context, a policy of performance-based salary was started, particularly in France, by means of an incentive scheme where the essential component is the result of the profit centre. This approach helps all staff to concentrate on improving economic performance of the economic entity to which they are attached.

Personal development is also reinforced by the broad autonomy that each profit centre enjoys, giving the manager and his teams a greater sense of responsibility, which leads to greater commitment and permanent research for better performance.

The counterparty to this entrepreneurial policy, was the deployment of an efficient control tool allowing close monitoring of the performance indicators of each unit.



Training, the group's dynamic springboard

CLASQUIN places great emphasis on the training of its staff.

All of them have their baccalauréat plus two to five years education, with a minimum of two languages.

Nevertheless, to ensure perfect cohesion of its teams, the group has also set up a three part in-house training plan :

- Training in business techniques;
- Training in IT tools developed by the group, mainly on Aeolus software, the group operational software. This takes place in the Aeolus school, created specially for that purpose, providing an average of two to three sessions a month;
- Training in communications and management.

This is completed by Summer Universities, held in France every two years, when all units from France, Italy and Spain, and most of the overseas executives (Asia/Pacific + USA) attend.

Training sessions are part of the programme held over the 3 to 4 days.

These meetings are also an opportunity for exchanges, getting to know each other, understanding, becoming familiar with other forms of culture.

This bonding allows personal development of each member and, indirectly, of the group.

Customers and suppliers

A diversified customer portfolio, a guarantee for the future

The diversity of the customer portfolio is a guarantee for group durability. The biggest customer in 2005 only represented 3.3% of sales and the 32 largest ones, one third of sales.

Customers come from very varied sectors of activity ; the group does not depend on the good or poor health of any of them.

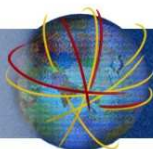
The most representative sector is that of fashion and luxury goods, followed by capital goods then consumer goods.

The group is also trying to build up its presence in sectors of high value-added activities : the pharmaceutical and cosmetics industries and the wine & spirits sector.

Customer relations are our core concern

In 2005, CLASQUIN launched an Excellence Plan for Operation (EPO) to boost the quality of its operations, by relying notably on a Customer Relationship Management (CRM) approach.

This approach will help provide a better response to the specific demands of each customer and to personalise even further the range of services. It also aims at reinforcing the existing customer loyalty process and gaining new customers by offering a totally made-to-measure solution, as a complete and precise answer as possible to their problem.



A lasting partnership with suppliers

In order to maintain its independence and to choose partners by only selecting the best and especially the most reliable, CLASQUIN has a diversified portfolio of suppliers.

This large panel allows us not only to refer to sub-contractors with the most advanced skills but also to find the best-suited provider for the specific transport and especially to permanently negotiate the best prices, for the benefit of customers.

The group has a broad range of know-how, meeting the stringent demands of the customer.

Environmental policy

Given its position as a fourth party logistics provider (4 PL) (a company with no physical assets, that is without trucks, planes, ships), the Company is not directly confronted with environmental constraints.

However, the group is very aware of environmental problems and tries to promote the least pollutant means of transport.

Promotion of river services

A very firm action is conducted by the sales force among group customers, both exporters and importers, to promote this type of pre- and post-routing by river as a substitute to road transport.

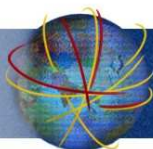
Initially, this promotion was in the Rhône-Alpes region via a partnership with the barge services on the Rhône.

Apart from respect for the environment by choosing a non-polluting means of transport, the system also offers a considerable economic advantage.

This approach proved positive as the first customer chose to join us in this method of sustainable development entrusting us with the transport of their merchandise by river.

Pre-customs clearance on the barge

The group is part of the Lyons Port community, an association of which it is one of the founding members. The aim of the entity is twofold : promoting pre-customs clearance aboard the barge, on the basis of an agreement signed by its members, and assuring a lobbying activity with the public administration to obtain the corresponding application decrees.



SHAREHOLDERS AND INVESTORS

Stock market facts

Introduction date	31 January 2006
Introduction price	€ 15.50
ISIN Code	FR0004152882
Bloomberg Code	ALCLA FP
Reuters Code	ALCLA PA
ICB Classification	2000 Industry – 2770 Industrial transport
Market	Alternext
Quotation	fixing at 3.30 pm
Capital on 31 December 2005	€ 3,800 thousand divided into 1,900,000 shares With a nominal value of € 2.00
Capital on 20 April 2006	€ 4,459,862
Number of shares on 20 April 2006	2,229,931 shares
Price on 20 April 2006	€ 18.75
Highest price	€ 19.70
Lowest price	€ 15.50
Average daily volume	5,797 shares exchanged
Market capitalisation on 20 April 2006	€ 41 million
Float	22%

Summary of the introduction method

CLASQUIN SA was launched on 31 January 2006 on the Euronext Alternext market in Paris.

The number of shares floated on the market was 496,276.

The share price was set at € 15.50.

The gross income from the offer was € 7,692,278.

The gross income from the increase in capital was € 4,619,000.

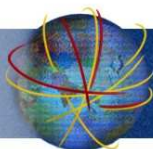
The gross income from disposals of shares made by shareholders was € 3,073,278.

CLASQUIN SA employees subscribed to the market launch, 31,931 shares via the FCPE (company investment fund) Clasquin Performances.

The share price was set at € 12.40 (after a discount of 20%).

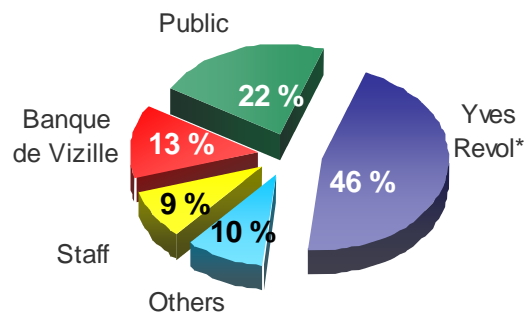
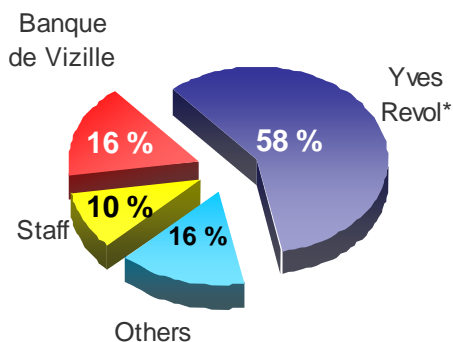
The income from the capital increase reserved for employees amounted to € 395,944.

Following these two operations, the capital of CLASQUIN SA was increased to € 4,459,862, or 2,229,931 shares of € 2 each.

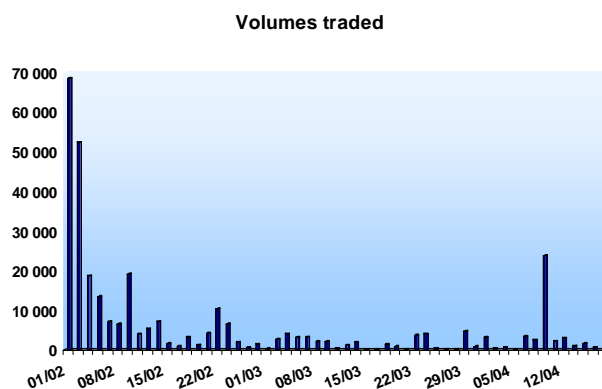
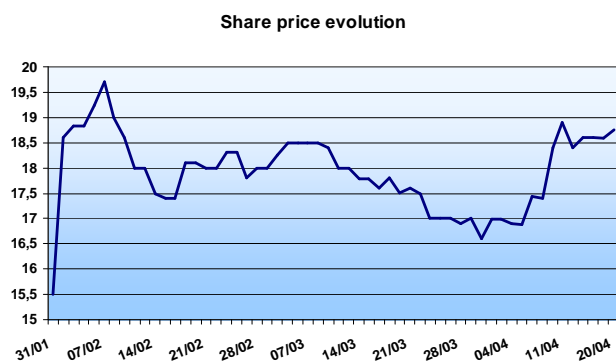


Shareholding and voting rights

Evolution of the shareholding before and after the introduction (%)



Evolution in price and volumes exchanged

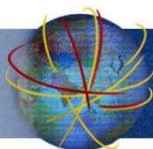


Dividend policy

Subject to the financing of investments required for the development of the group, the company intends to pay an annual dividend of at least 20% of its net consolidated attributable profit. It will be proposed at the General Meeting on 6 June 2006 to distribute a dividend of € 0.23 per share, or 25% of 2005 results.

Listing sponsor

Vizille Capital Finance acts as the Listing Sponsor for the CLASQUIN group.



Liquidity provision agreement

A liquidity provision agreement was signed between CLASQUIN and Oddo Corporate Finance on 16 March 2006, expiring on 31 December 2006. It is renewable by tacit agreement for a one-year period. This contract complies with the ethics charter of the Association Française des Entreprises d'Investissement (AFEI).

Financial analysis

Oddo Midcap made a financial analysis. In charge of the study : Pierre Blouin and Christophe-Raphaël Ganet.

Sources of information and documentation

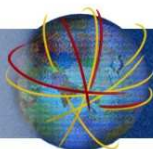
- The annual report in French, communicated in the four months following the end of the financial year, is available on request or on the company website www.clasquin.com. An English version is also available on the site.
- Legal documents, namely the bylaws, minutes of general meetings and auditors' reports can be consulted at the CLASQUIN head office.
- The website www.clasquin.com has the main information concerning the structure, operations, news, financial data and press releases.
- The website www.alternext.com provides financial and market information concerning the company.

Agenda 2006

<u>Date</u>	<u>Event</u>
11 April 2006	Publication of annual accounts 2005
6 June 2006	Annual General Meeting
5 October 2006	Publication of accounts for the 1st half of 2006

In charge of information

- Yves REVOL, Chairman CEO
- Philippe LONS, Deputy General Manager and Finance & Administration Director of the group
- Sylvie CARLIER, in charge of financial communications
- Tel : 00(33) 4 72 83 17 00
- Mail : finance@clasquin.com



BOARD OF DIRECTORS' MANAGEMENT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2005

Ladies and Gentlemen,

We have called you to this Ordinary General Meeting, in accordance with the law governing commercial companies and the company's bylaws, to :

- inform you of the operation of our company, its subsidiaries and the group during the year ending 31 December 2005, of the results of this business and the outlook for the future;
- to submit to your approval the balance sheet, company accounts and consolidated accounts for the past year;
- to propose that you appoint a new Director in addition to the Directors already in service;
- to propose that you renew the expired mandates of the Auditors.

1. Position of the group, the company and its subsidiaries

1.1 Clasquin group

Business in 2005 grew sharply.

Sales rose 30.7% mainly due to gaining of new market share in a very dynamic context for international exchanges.

Please note that the "fuel surcharge" had a mechanical effect of increasing sales by a few points.

Sales from air freight forwarding rose 27% to reach 57% of total group sales and from sea freight forwarding climbed 38% to reach 40% of consolidated sales (excl. Log System, our IT subsidiary).

The respective share of each geographic zone on 31 December 2005 was as follows :

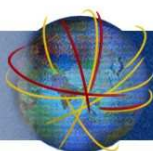
- France : 48%
- Europe (excl. France) : 5%
- Asia-Pacific : 41%
- USA : 6%

Gross profit, which forms the real reference aggregate, surged by 23.5%.

1.2 Clasquin SA

Sales of CLASQUIN SA, the parent company of the group, but also the company grouping all operations in France, rose 25.7%.

Revenue details are given in 2.1.2.



2. Economic and financial results of the company

2.1 Presentation of company accounts and annual accounts

We submit for your approval company accounts and consolidated accounts at 31 December 2005, which were prepared in compliance with the rules of presentation and evaluation methods as required by current law.

The accounting rules and methods employed are identical to those of the previous year.

2.1.1 Consolidated accounts

Methods of consolidation are described in the notes to the consolidated accounts.

2.1.1.1 Consolidated subsidiaries

Companies consolidated as subsidiaries of the Clasquin SA group are listed in the notes to the consolidated accounts.

The following acquisition was added to consolidated subsidiaries :

- CLASQUIN THAILAND (on 1 July 2005)

2.1.1.2 Consolidated results for the year ending 31 December 2005

In €	31 December 2005	31 December 2004	Change
Net sales	92,333,643	70,635,234	30.72%
Sales	70,651,971	53,079,238	33.11%
Gross profit	21,681,672	17,555,996	23.50%
EBIT	3,330,976	2,076,737	60.39%
Net profit before tax and exceptional	2,970,063	1,770,138	119.76%
Consolidated net profit	2,113,380	1,139,169	85.52%
Net profit - group share	2,089,996	1,121,207	86.41%
Group Earnings per share	0.616	0.343	79.59%

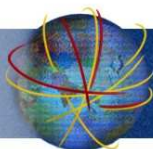
The result for the year shows a consolidated net profit of € 2,113,380 compared with a consolidated net profit of € 1,139,169 for the previous year, an increase of 85.5%.

Given this result, group share in shareholders' equity amounted to € 4,825,604 and minority interests amounted to € 152,547 for company capital of € 3,800,000 at 31 December 2005.

Sales during the past year amounted to € 92,333,643 compared with € 70,635,234 the previous year, an increase of 30.7% compared with 8.5% the previous year.

EBIT amounted to € 3,330,976 compared with € 2,076,737 the previous year, a rise of 60.4%.

Financial result was a loss of € 360,913 compared with a loss of € 306,599 the previous year.



The exceptional result was a loss of € 238,338 compared with a loss of € 418,637 the previous year.

Total consolidated net profit amounted to € 2,113,380, with the group share amounting to € 2,089,996 .

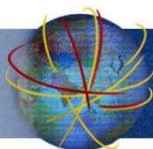
2.1.1.3 CLASQUIN SA subsidiaries

In € thousands	Sales 2005	Gross profit 2005	Growth on 2004 (*)	EBIT 2005	EBIT 2004
CLASQUIN ITALIA	1,343	469	8.9%	58	98
CLASQUIN SPAIN	4,810	831	80.8%	283	40
LOG SYSTEM	1,365	954	46.6%	51	28
CLASQUIN JAPAN	10,073	1,745	0.4%	85	(128)
CLASQUIN KOREA	2,763	416	22.9%	45	34
CLASQUIN FAR EAST	24,235	3,248	44.2%	1,102	505
CLASQUIN SINGAPORE	2,537	648	28.8%	75	4
CLASQUIN THAILAND (6 months)	733	152		28	
CLASQUIN MALAYSIA	1,734	227	7.7%	24	5
CLASQUIN AUSTRALIA	5,370	946	18.3%	- 23	(73)
CLASQUIN USA	5,863	1,136	0%	116	98
(*) : At a constant rate of exchange					

2.1.2 Parent company financial statements

CLASQUIN SA financial statements for the year ending 31 December 2005 disclose a net profit of € 1,122,998 of which the main components are :

	31-12-2005	31-12-2004	Change
Sales	55,450,263	44,016,259	25.98%
Operating income	55,617,597	44,234,014	25.73%
Operating charges	53,418,974	42,555,785	25.53%
EBIT	2,198,624	1,678,229	31.01%
Financial income	413,687	338,094	22.36%
Financial charges	623,838	781,698	67.01%
Financial result	(210,151)	(443,604)	47.37%
Net profit before tax and exceptional	1,988,472	1,234,625	61.06%
Exceptional income	199,399	329,643	60.49%
Exceptional charges	298,503	898,559	33.22%
Exceptional result	(99,104)	(568,916)	17.42%
Performance-based salary	681,943	150,928	351.83%
Corporate income tax	84,428	22,500	275.24%
Net profit	1,122,998	492,281	128.12%



Sales during the past year amounted to € 55,450,263 compared with € 44,016,259 the previous year.

Total operating income amounted to € 55,617,597s and total operating charges amount to € 53,418,974, resulting in EBIT of € 2,198,624 compared with € 1,678,229 the previous year.

Total financial income amounted to € 413,687 and total financial charges amount to € 623,838 , producing a financial loss of € 210,151.

Net profit before tax and exceptional was € 1,988,472 compared with € 1,234,625 the previous year.

Total exceptional income amounted to € 199,399 and total exceptional charges amounted to € 298,503, resulting in a loss of € 99,104.

Net profit for the financial year ended with € 1,122,998 compared with € 492,281 the previous year.

The income statement required under article 148 of the Decree dated 23 March 1967 is attached to this report.

2.2 Analysis of the evolution of business, profit and the financial position of the company, especially its gearing, with regard to the volume and complexity of business

Cash increased by € 2 million in 2005 to € 11.3 million (of which € 10.2 million is available from factoring) on 31 December 2005.

This good performance was due to the following factors :

- Progress in cash flow of 45% to € 3.3 million
- Stability of Working Capital Requirement (excluding the factoring adjustment)
- Cash allocated to investments : - € 1.2 million
- Cash resulting from financing : - € 0.1 million

Medium and long term debt is practically stable at € 1.6 million (bank loans : € 0.6 million, leasing : € 1.0 million) and now only represents 30% of equity (including convertible bonds).

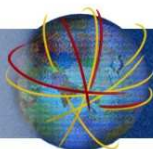
2.3 Financial analysis of risks

2.3.1 Management of financial risks

2.3.1.1 Liquidity risks

Group financing relies on medium-term loans, a leasing contract for IT equipment and a factoring contract used as a real management tool to cover movements in working capital requirements.

Working capital requirements are subject to substantial variations from one year to the next because of one-off and sizeable traffic operations, but also and particularly, due to monthly payment dates to the customs administration (customs duties and VAT), and to the Cargo International Settlement System (responsible for collecting air freight payments). At the time of these operations and payment dates, working capital requirements post significant fluctuations.



The liquidity risk that the group can support, and which is linked to one-off movements in working capital requirements, is covered by a factoring contract that gives the Group a cash reserve.

Furthermore, contracts governing group loans have no restrictions that limit operational and financial flexibility that would form a liquidity risk for CLASQUIN.

2.3.1.2 Rate risks

Loans contracted by the group are at a variable rate. Given their amount, the group did not want to hedge rates. However, as a function of the evolution of rates on the market, the group can hedge them at any time.

2.3.1.3 Inflation risks

The company considers that it is not exposed to a risk of inflation inasmuch as the variation in higher freight rates, due to inflation, is carried over to the sales price. Although this is not immediately effective, it is a question of time. If the group was unable to pass this increase in sales price on, inflation would have an adverse effect on the business, the financial situation or CLASQUIN results, or its capacity to achieve objectives.

2.3.1.4 Impacts of conversion on performance indicators

The group is an international company with 14 subsidiaries and 33 agencies in Europe, USA, Asia and the Pacific zone. The strategy depends on continuous development of its activities overseas.

The group presents its consolidated accounts in euros. Fluctuations in exchange rates can have a positive or negative impact on the level of activity and CLASQUIN performance indicators.

2.3.1.5 Foreign Exchange risks

CLASQUIN uses the Euro in its accounts, and invoicing between subsidiaries is always denominated in Euros. The foreign exchange risk is primarily borne by the subsidiaries outside of the euro zone. Therefore, the group started a monthly foreign exchange hedging policy for subsidiaries that generate substantial flows of exchanges.

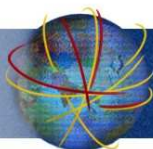
The group also set up a Clearing Office, which centralises all payments between the various entities. As a result, exposure in terms of foreign exchange risk of any of the entities can be summed up as a risk on a compensated balance of all its receivables and payables with all other entities of the group. The foreign exchange risk is easier to measure.

As the group has an international operation, exchange fluctuations could have a negative impact on the results of its subsidiaries outside the Euro zone if insufficiently or not covered given their flows of imports and/or exports, and then the financial situation and group results.

2.3.2 Share price variation risk

On 31 December 2005, there was no share price variation risk as the company shares were not yet listed.

Following its introduction on the Euronext Paris Alternext market on 31 January 2006, and to ensure better liquidity and regulation of the market price, the group signed a liquidity contract on 16 March 2006 with ODDO et Compagnie.



3. Research and development

This operation accounted for € 392 thousand or 0.4% of group revenues.

To optimise group efficiency, an integrated IT management system was developed internally. This system is deployed in all subsidiaries, except for the AEOLUS operating software. The latter is installed in the following subsidiaries : France, Italy, Spain, Far East (Hong Kong), Australia and Singapore, which account for 80% of group operations. The deployment will continue until all subsidiaries are equipped.

This integrated IT management system gives the Clasquin group a considerable technological advance in processing operations and management of subsidiaries.

4. Significant events since the end of the year

By way of information, shareholders are reminded that since the end of the year, company shares have traded on the Alternext market of Euronext Paris since 31 January 2006.

The Board of Directors meeting on 31 January 2006 reported the increase in capital of € 596,000 by the public offer, raising it from € 3,800,000 to € 4,396,000.

The Board of Directors meeting on 27 February 2006 reported the increase in capital of € 63,862 reserved for employees subscribing to the Clasquin Performances investment fund.

To date, company capital amounts to € 4,459,862 divided into 2,229,931 shares.

5. Outlook for 2006

The group is expected to continue its progress and post double-digit growth in 2006.

At the same time, results are expected to continue growing.

Development of the network will continue, mainly abroad. The following are planned :

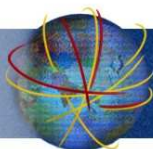
- opening of a subsidiary in Antwerp, CLASQUIN BELGIUM, for 1 June 2006
- setting up of operational offices in :
 - Chicago (effective since 1 March 2006)
 - Strasbourg (planned for 1 May 2006)
- opening of a sales office in Delhi (during the year)

These new installations will be accompanied by sales forces.

A specific mechanism for future acquisition operations will also be set up.

The group plans on reinforcing its organisation by recruiting an International HR Director.

As a reminder, the group launched an Excellence Plan for Operation (EPO) in 2005 including a Customer Relationship Management (CRM) approach. This plan will continue in 2006.



6. Allocation of profit

We would remind you that in the prospectus prepared for the introduction on Alternext, and subject first to financing of investments necessary for the development of the group and, second, to the net result of the parent company, the Company stated its intention of making an annual distribution of at least 20% of its consolidated net profit.

We propose distributing, for the year ending 31 December 2005, an amount of approximately 25% of consolidated net profit (group share) of € 2,089,996.

We suggest allocating the year's profit, amounting to € 1,122,998,01, as follows :

▪ allocation to the legal reserve	€ 56,149.90
▪ distribution of a dividend of	€ 512,884.13
▪ the balance, or to retained earnings.	€ 553,963.98

Each shareholder will receive a dividend of € 0.23 per share.

This dividend shall be paid on 30 June 2006.

From the tax viewpoint, in compliance with dispositions in force since 1 January 2006, we inform you that the dividend is not accompanied by a tax credit, but it gives private individual shareholders the right to a discount of 40% calculated on the total amount.

In compliance with dispositions of article 243 bis of the General Tax Code, we remind you that the following dividends were paid over the last three years :

Year	Dividend distributed per share	Tax credit per share	Revenue declared per share
31 December 2002	Zero	Zero	Zero
31 December 2003	Zero		
31 December 2004	€ 0.06		

7. Expenses that cannot be deducted from taxes

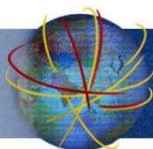
In compliance with dispositions of article 223 iv and 223 v of the General Tax Code, we would point out that accounts for the past year recorded a sum of € 84,428, corresponding to expenses not deductible for taxation purposes, and that corporate income tax at the basic rate paid, amounted to € 7,527.

8. Subsidiaries and investments

We have presented the results of the subsidiaries in our report on company operations (2.1.1.3). The table of subsidiaries and investments is attached to this report.

During the past year, our Company made the following investments :

- CLASQUIN THAILAND
- CLASQUIN PYONGYANG



9. Companies controlled

At 31 December 2005, the Company controls the following companies directly and indirectly :

Directly

- LOG SYSTEM (70%)
- CLASQUIN ITALY (100%)
- CLASQUIN SPAIN (100%)
- CLASQUIN USA (80%)
- CLASQUIN JAPAN (100%)
- CLASQUIN SINGAPORE (100%)
- CLASQUIN FAR EAST (100%)
- CLASQUIN AUSTRALIA (100%)
- CLASQUIN KOREA (100%)
- CLASQUIN MALAYSIA (100%)
- CLASQUIN THAILAND (100%)

Indirectly

- CLASQUIN TAIWAN (80%) – Subsidiary of CLASQUIN FAR EAST
- CLASQUIN SECURE (80%) – Subsidiary of CLASQUIN USA
- CLASQUIN PYONGYANG (51%) – Subsidiary of CLASQUIN FAR EAST

10. Appointment of a new director in addition to directors currently serving

The Board suggests that you appoint a new Director of the company, in addition to members currently serving, for a term of six years, being until the Annual General Meeting called to approve accounts for the year ending 31 December 2011, namely :

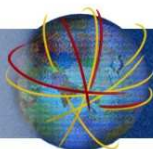
Mr. Hamsan CHAP, living in LYON (69007) 6 Place Raspail.

11. Renewal of the auditor's mandates

The mandates of PIN ASSOCIES, Auditors, and Mr. Thibault CHALVIN, substitute Auditor, expire at the end of this meeting, we suggest you renew them for a further term of six years that is until the Annual General Meeting called to approve accounts for the year ending 31 December 2011.

12. Agreements covered by article L.225-38 of the Code of Commerce

Your Auditors will read you their report, which mentions the absence of new agreements authorised by the Board of Directors for the year and agreements entered into in previous years, which continued during the year ending on 31 December 2005.



13. Agreements covered by article L.225-39 of the Code of Commerce

The list of agreements concerning current operations concluded under normal conditions, the purpose of which or whose financial implications are substantial for the parties involved, were held at your disposition for the statutory period and your Auditors were informed.

14. Stock options

In compliance with dispositions of article L.225-184 of the Code of Commerce, the Annual General Meeting is to be informed of stock option plans by means of a special report, attached to this report.
We inform you that the Company has no programme to attribute stock options.

15. Information relative to company capital and voting rights

In compliance with dispositions of article L.233-13 of the Code of Commerce and in view of information and notification received in application of articles L.233-7 and L.233-12 of the Code of Commerce, we inform you of :

1) The identity of shareholders holding, at year end, more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% and 95% of company capital or voting rights :

■	OLYMP	:	44.4% of company capital and voting rights,
■	CIC Banque de Vizille	:	15.8% of company capital and voting rights,
■	Yves REVOL	:	13.6% of company capital and voting rights.

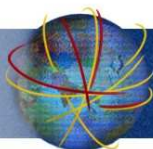
2) For your information, the Company was not informed of any crossing of threshold between the time the shares were listed on Alternext, the 31 January 2006, and this report was prepared.

16. Shareholding of company employees

In compliance with dispositions of article L.225-102 of the Code of Commerce, we report to you the situation of the proportion of capital held by company personnel and personnel of related companies in the sense of article L.225-180 of the Code of Commerce on 31 December 2005, in the framework of a company savings plan, of an investment fund for company employees, and/or directly.

The percentage of direct holdings amounts to 9.76%.

We would remind you that the FCPE Clasquin Performances, approved by the Autorité des Marchés Financiers (French market authority) on 17 January 2006, subscribed to the capital increase € 63,862, or 1.43% of the capital on 27 February 2006, the date when the capital increase took effect.



17. Information concerning general management methods

We would remind you that the Board of Directors meeting held on 15 June 2005, after the Annual General Meeting the same day, decided to modify some bylaws, where necessary, concerning the accumulation of functions of the Chairman of the Board of Directors and the CEO for the remaining term of Mr. Yves REVOL mandate as Director.

18. Information concerning directors

In compliance with article L.225-102-1 of the Code of Commerce, on the basis of information we have received from the parties involved, we provide below the list of all mandates and functions exercised in companies by directors of your company during the year ending 31 December 2005 :

Mandates of Mr. Yves REVOL, Chairman-CEO :

- Manager of SCI DE LA LOUVE
- Manager of OLYMP
- Chairman of CLASQUIN ITALIA
- Chairman of CLASQUIN FAR EAST
- Chairman of CLASQUIN JAPAN
- Chairman of CLASQUIN SINGAPORE
- Chairman of CLASQUIN MALAYSIA
- Chairman of CLASQUIN AUSTRALIA
- Chairman of CLASQUIN TAIWAN
- Chairman of CLASQUIN USA
- Chairman of CLASQUIN SECURE
- Chairman of CLASQUIN THAILAND
- Director of CLASQUIN KOREA
- Manager of CLASQUIN SPAIN

Mandates of Mr. Philippe LONS, Director and Deputy General Manager :

- Director of CLASQUIN JAPAN
- Director of CLASQUIN ITALIA
- Director of CLASQUIN FAR EAST
- Director of CLASQUIN SINGAPORE
- Director of CLASQUIN KOREA
- Director of CLASQUIN MALAYSIA
- Director of CLASQUIN AUSTRALIA
- Director of CLASQUIN THAILAND

Mandates of OLYMP, Director, represented by Mr. Philippe LE BIHAN :

Mandates exercised by OLYMP :

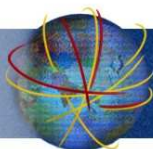
Zero

Mandates exercised by Mr. Philippe LE BIHAN, Permanent Representative of OLYMP and Deputy General Manager :

- Manager of LOG SYSTEM

Mandates of Mr. Serge RENAULT, Deputy General Manager :

Zero



19. Report by the Chairman of the Board of Directors on internal audit procedures

In compliance with dispositions of the final paragraph of article L.225-37 of the Code of Commerce, the Chairman of the Board of Directors, in a document attached hereto, reports on the conditions of preparation and organisation of the Board's work and the internal audit procedures deployed by the company and possible limits imposed by the Board of Directors on powers of the CEO.

20. Report of the Board of Directors on delegations with regard to increases of capital

In compliance with dispositions of article L.225-100 of the Code of Commerce, information relating to the following is attached to this report :

- delegations of competency and power, currently valid, granted by the Annual General Meeting to the Board of Directors relating to capital increases;
- the use made during the year of the above-mentioned delegations.

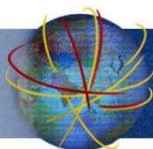
21. Auditor's report

We will read the general and special reports of the Auditors' concerning :

- company accounts ;
- consolidated accounts ;
- internal audit procedures relating to the elaboration and processing of accounting and financial information;
- agreements mentioned in articles L.225-38 and thereafter in the Code of Commerce.

We hope that all the resolutions presented will gain your approval.

The Board of Directors



NOTES

REPORT OF THE BOARD OF DIRECTORS FOR DELEGATIONS AS REGARDS TO CAPITAL INCREASES

To comply with the dispositions of article L.225-100 of the Code of Commerce, we report below on the information concerning :

- **delegations of competency and power, currently valid, granted by the Annual General Meeting to the Board of Directors relating to capital increases :**

The Extraordinary General Meeting on 18 November 2005 delegated power to the Board of Directors to :

- increase company capital by issuing shares with or without suppressing pre-emption subscription rights, depending on the case, with delegation to the Board of Directors to issue shares and decide on the conditions and methods;
- increase the number of shares to issue under the conditions of article L.225-135-1 of the Code of Commerce in case of excess demand for subscription at the time of increases of capital mentioned above;
- increase company capital suppressing the pre-emption subscription rights to the benefit of subscribers of a company savings plan by means of a FCPE (or other membership plan for which article L.443-5 of the Code of Labor authorises reservation of a capital increase under equivalent conditions) of the company and companies in the Group in the sense of article L.223-16 of the Code of Commerce, with delegation to the Board of Directors to issue shares and decide on the conditions and methods.

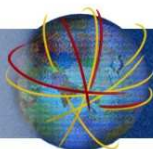
- **On the use made during the year of the above-mentioned delegations**

For the year ending 31 December 2005, the Board of Directors did not use the delegations.

For information, we would point out that, since the end of the year, the Board of Directors made partial use of these delegations :

The Board of Directors meeting on 11 January 2006 :

- decided to open the capital to the public, by raising a nominal amount of € 596,000 with the issue of 298,000 new shares with a nominal value of € 2 each;
- decided to increase the capital by suppressing the pre-emption subscription rights of Shareholders for the benefit of FCPE Clasquin Performances subscribers, for a maximum amount of 32,000 new shares with a nominal value of € 2 each;
- decided on the terms of the additional report prepared in application of article L.225-12-5 of the Code of Commerce and in compliance with dispositions of article 155-2 of the decree dated 23 March 1967.

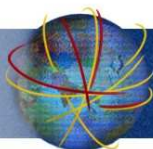


The Board of Directors meeting on 31 January 2006 has :

- set the issue price for the increase of capital open to the public at € 15.50 per share;
- given the performance bond delivered by Vizille Capital Finance, recognised the final sum for the increase of capital open to the public of € 596,000 with the issue of 298,000 new shares at a nominal value of € 2 each at a price of € 15.50 per share, for a total amount, including the share premium, of € 4,619,000;
- set the issue price for the increase of capital reserved to members of the FCPE Clasquin Performances at € 12.40 per share.
- given the setting of the final price for the issue of shares, decided on the terms of a new additional report.

The Board of Directors meeting on 27 February 2006 has :

- given the subscription bulletin of FCPE Clasquin Performances and the custodian certificate, recognised the final sum for the increase of capital of € 63,862, with suppression of pre-emption subscription rights to the benefit of members of the Clasquin Performances savings plan, with the issue of 31,931 new shares at a nominal value of € 2 each at a price of € 12.40, for a total amount, including the share premium, of € 395,944.40;
- given the number of shares actually subscribed by the FCPE Clasquin Performances, decided on the terms of a new additional report.

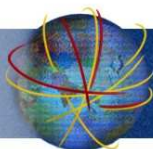


Notes to paragraph 2.1.2 of the management report

Parent company accounts

Summary of results

SUMMARY OF RESULTS	31 December 2005	31 December 2004	31 December 2003	31 December 2002	31 December 2001
CAPITAL AT YEAR-END					
Share Capital	3,800,000	3,800,000	3,000,000	750,000	750,000
Number of ordinary shares	1,900,000	3,800,000	3,000,000	750,000	750,000
OPERATIONS AND RESULT					
Sales (net of tax)	55,450,263	44,016,259	42,180,683	1,805,024	2,078,516
Profit before tax, performance-based salary, depreciation and amortisation	2,304,585	1,421,945	(705,299)	404,668	851,281
Income tax	84,428	22,500	24,711	(43,948)	3,354
Employee performance-based salary	681,943	150,928	268,489	25,666	
Net profit	1,122,998	492,281	170,666	(191,397)	1,557,074
Dividends		228,000			
EARNINGS PER SHARE					
After tax, employee performance-based salary and before depreciation and amortisation	0.81	0.33	1.33	0.56	1.00
After tax, employee performance-based salary, depreciation and amortisation	0.59	0.13	0.23	(0.26)	1.00
Dividends		0.06			
PERSONNEL					
Number of employees	141	118	106	8	9
Salaries	3,911,314	3,132,865	3,023,237	404,559	402,074
Amount of benefits paid	1,605,263	1,363,696	1,319,977	161,243	162,891



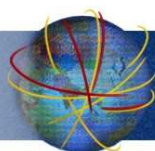
Notes to paragraph 8 of the management report

Subsidiaries and investments

Table of subsidiaries and investments

SUBSIDIARIES (more than 50% of capital held)	Capital	Equity on 31 December 2005	Share of capital held	Book value of shares held	
				gross	net
CLASQUIN FAR EAST	108,500	1,733,450	100%	128,893	128,893
CLASQUIN AUSTRALIA	386,812	138,724	100%	365,428	130,326
CLASQUIN JAPAN	71,800	321,776	100%	196,746	196,746
CLASQUIN SPAIN	335,032	472,045	100%	453,356	453,356
CLASQUIN SINGAPORE	202,959	207,658	100%	232,047	186,802
CLASQUIN ITALY	10,400	39,291	100%	54,367	48,367
CLASQUIN US	16,890	536,446	80%	99,148	99,148
CLASQUIN KOREA	246,000	353,614	100%	214,493	214,493
CLASQUIN NETHERLAND	NA	NA	NA	18,106	0
CLASQUIN THAILAND	123,360	-82,869	100%	617	617
CLASQUIN MALAYSIA	95,752	12,758	100%	127,372	9,372
LOG SYSTEM	7,622	105,524	70%	88,039	88,039

SUBSIDIARIES (more than 50% of capital held)	Loans and advances granted by the company	Amount of guarantees and pledges given by the company on 31 December 2005	Last year sales	2005 Net Profit	Dividends received by the company during the year
CLASQUIN FAR EAST	0	1,318,898	24,234,595	921,095	0
CLASQUIN AUSTRALIA	0	204,760	5,369,715	32,218	0
CLASQUIN JAPAN	0	718,000	10,072,918	98,930	0
CLASQUIN SPAIN	0	60,000	4,810,007	232,213	0
CLASQUIN SINGAPORE	0	572,897	2,537,497	22,422	0
CLASQUIN ITALY	0	670,000	1,343,485	16,697	0
CLASQUIN US	0	0	5,863,446	61,507	0
CLASQUIN KOREA	0	0	2,763,020	25,332	0
CLASQUIN NETHERLAND	0	544,105	NA	NA	0
CLASQUIN THAILAND	0	49,261	733,102	2,671	0
CLASQUIN MALAYSIA	0	147,312	1,733,921	-18,418	0
LOG SYSTEM	0	0	1,364,724	32,682	10,500

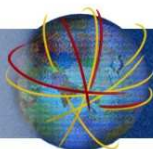


FINANCIAL ELEMENTS

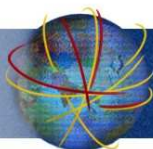
Consolidated financial statements

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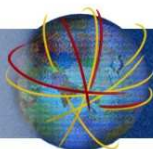


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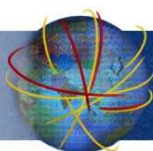
All amounts are expressed in euros



A. Consolidated balance sheet

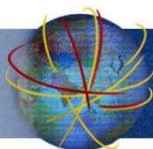
1. Consolidated balance sheet Assets

ASSETS	EUR				
	31 December 2005				31 December 2004
	Note	Gross	Amort	Net	Net
INTANGIBLE ASSETS	3.3.2				
Start-up costs		20,302	18,740	1,562	3,148
Goodwill		344,969	184,866	160,103	104,864
Software		3,945,334	2,827,633	1,117,701	1,228,839
Other intangible assets		23,320	1,782	21,538	20,613
TOTAL INTANGIBLE ASSETS	5.1	4,333,925	3,033,021	1,300,904	1,357,464
PROPERTY, PLANT AND EQUIPMENT	3.3.3				
Buildings		3,604	1,186	2,418	3,604
Fixtures & fittings		639,394	332,452	306,942	317,663
Other property, plant & equipment		1,991,470	1,309,716	681,754	378,305
TOTAL PROPERTY, PLANT AND EQUIPMENT	5.2	2,634,468	1,643,354	991,114	699,572
LONG-TERM INVESTMENTS	3.3.5				
Shares in non-consolidated companies	2.3	50,121	30,416	19,705	21,916
Deposits and guarantees		310,072	1,398	308,674	231,435
Other financial assets		49,198		49,198	30,557
TOTAL LONG-TERM INVESTMENTS	5.3	409,391	31,814	377,577	283,908
TOTAL NON-CURRENT ASSETS		7,377,784	4,708,189	2,669,595	2,340,944
INVENTORY AND WORK IN PROGRESS					
RECEIVABLES					
Trade accounts and notes receivable	5.4.2	12,172,094	378,911	11,793,183	7,185,807
Loans to non-consolidated companies					5,569
Deferred tax assets	5.8	20,758		20,758	257,644
Other receivables	5.4.2	4,302,115		4,302,115	3,295,889
TOTAL RECEIVABLES	5.4 & 5.5	16,494,967	378,911	16,116,056	10,744,909
MARKETABLE INVESTMENT SECURITIES					
CASH					
Cash and cash equivalents	3.3.8	2,781,017		2,781,017	1,861,293
Available from factoring	5.4.2	10,213,713		10,213,713	8,324,457
TOTAL CASH		12,994,730		12,994,730	10,185,750
PREPAID EXPENSES	5.4.1	1,046,204		1,046,204	933,537
TOTAL CURRENT ASSETS		30,535,901	378,911	30,156,990	21,864,196
TOTAL ASSETS		37,913,685	5,087,100	32,826,585	24,205,140



2. Consolidated balance sheet Equity and Liabilities

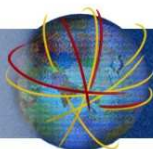
EQUITY AND LIABILITIES	EUR		
	Note	31 December 2005	31 December 2004
EQUITY CAPITAL	5.6.1	3,800,000	3,800,000
SHARE PREMIUM			1,200,000
CONSOLIDATED RESERVES		(1,112,554)	(3,382,082)
PROFIT FOR THE YEAR		2,089,996	1,121,207
TRANSLATION ADJUSTMENT		48,162	(44,100)
TOTAL SHAREHOLDERS' EQUITY		4,825,604	2,695,025
MINORITY INTERESTS in reserves		129,163	100,267
in profit		23,384	17,962
TOTAL MINORITY INTERESTS		152,547	118,229
Provisions for liabilities and charges	5.7	547,905	555,278
CONVERTIBLE BOND LOANS	5.9.1	500,000	500,000
LOANS and FINANCIAL DEBT			
Loans with banks		666,940	1,082,974
Finance leases	3.3.4	977,050	457,241
Bank overdrafts		1,703,689	937,646
Associate current accounts			
TOTAL LOANS and FINANCIAL DEBT	5.9	3,347,679	2,477,861
DEBTS			
Suppliers and related accounts		20,421,853	15,874,064
Tax and social debts		2,363,109	1,336,843
Other debts		564,123	528,354
TOTAL DEBTS	5.9.5	23,349,085	17,739,261
PREPAID INCOME	5.9.5	103,765	119,486
TOTAL LIABILITIES		27,300,529	20,836,608
TOTAL EQUITY AND LIABILITIES		32,826,585	24,205,140



B. Consolidated income statement

INCOME STATEMENT	Note	EUR	
		31 December 2005	31 December 2004
SALES	6.3	92,333,643	70,635,234
Provision reversals and transfer of charges		144,200	157,890
Other income		47,462	
TOTAL OPERATING INCOME		92,525,305	70,793,124
Other purchases and external charges		76,342,400	57,532,473
Taxes and duties		386,034	302,754
Salaries and wages (including profit-sharing and incentives)	5.15.4	8,993,992	7,806,279
Social expenses		2,269,073	1,744,417
Depreciation		957,251	1,024,910
Accrued expenses		151,559	304,026
Other charges		94,020	1,528
TOTAL OPERATING EXPENSES		89,194,329	68,716,387
EBIT	6.5.1	3,330,976	2,076,737
Financial income		777,035	1,220,654
Financial charges		1,137,948	1,527,253
FINANCE RESULT	5.12	(360,913)	(306,599)
NET PROFIT BEFORE TAX AND EXCEPTIONAL		2,970,063	1,770,138
Exceptional income		228,505	437,385
Exceptional charges		466,843	856,022
EXCEPTIONAL RESULT	5.13	(238,338)	(418,637)
INCOME TAX	5.14	(589,548)	(188,843)
CONSOLIDATED NET PROFIT BEFORE GOODWILL AMORTISATION		2,142,177	1,162,658
AMORTISATION OF GOODWILL	5.1.2	28,797	23,489
CONSOLIDATED NET PROFIT		2,113,380	1,139,169
MINORITY INTERESTS		23,384	17,962
NET PROFIT (GROUP SHARE)		2,089,996	1,121,207

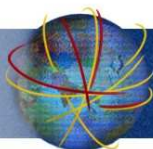
EARNINGS per share	3.3.15	0.616	0.343
DILUTED EARNINGS per share	3.3.15	0.592	0.338



C. Cash flow statement

1. Statement

CASH FLOWS (€ thousands)	Note	31 December 2005 12 months	31 December 2004 12 months
Net profit (group share)		2,090	1,121
Elimination of non-cash items :			
- Depreciation and provisions		982	1,092
- Profit on disposal of fixed assets		15	43
- Minority share of net profit		23	18
- Deferred tax movement		237	38
- Other non cash charges & income (unrealised foreign exchange gains/losses)		-67	-48
CASH FLOW FROM CONSOLIDATED COMPANIES (A)	C.2	3,280	2,264
Movements from working capital requirements			
- Trade accounts and other receivables		(4,607)	(1,284)
- Other receivables		(1,119)	(54)
- Suppliers & Related accounts		4,548	3,304
- Other Debts		1,046	327
- Foreign exchange differences on Working capital requirements (WCR)	C.4	140	
CASH FROM WORKING CAPITAL REQUIREMENTS (B)	C.2	8	2,293
NET CASH FROM OPERATING ACTIVITIES (A) + (B) = (C)		3,288	4,557
Loans of non-consolidated companies Assets		6	
Loans of non-consolidated companies Liabilities			
Acquisitions of intangible and tangible assets	5.1.1&5.2.1	(1,101)	(604)
Acquisitions of financial assets	5.3.1	(92)	(11)
Disposals of intangible and tangible assets		1	9
Disposals of financial assets	5.3.1	20	17
Change of consolidated subsidiaries	C.3	(35)	
NET CASH FROM INVESTING ACTIVITIES (D)		(1,201)	(589)
Capital increase			2,000
Bond loan			500
Associate current accounts	5.9.1		-338
New bank loans	5.9.1		500
New lease arrangements	5.9.1	706	476
Reimbursement of bank loans	5.9.1	(421)	(348)
Reimbursement of lease expenses	5.9.1	(186)	(27)
Changes in consolidated subsidiaries			(39)
Dividends paid outside the group		(232)	(4)
Foreign exchange differences			(58)
NET CASH FROM FINANCING ACTIVITIES (E)		(133)	2,662
NET INCREASE IN CASH (C) + (D) + (E)		1,954	6,630
Cash and cash equivalents at the end of the period		11,291	9,248
Cash and cash equivalents at the start of the period		9,248	2,618
Foreign currency movements		(89)	
NET INCREASE IN CASH		1,954	6,630



2. Detailed notes for the calculation of cash flow from consolidated companies and Working Capital Requirements

Detail for the calculation of self financing capacity at 31 December 2005 (€ thousands)	Note	+	-
Net profit (group share)		2.090	
Allocation (+) and recovery (-) of depreciation & amortisation of goodwill	5.1.2	29	
Allocation (+) and recovery (-) of depreciation & amortisation of intangible assets & property, plant & equipment	5.1.2&5.2.2	957	
Allocation (+) and recovery (-) depreciation & amortisation of financial assets	5.3.2	3	
Allocation (+) and recovery (-) provision for risks & operating expenses	5.7	35	122
Allocation (+) and recovery (-) provision for risks & financial charges	5.7	20	
Allocation (+) and recovery (-) provision for risks & exceptional charges	5.7	120	60
		1,164	182
Depreciation and provisions (1)		982	
Profit on disposal of fixed assets		15	
Minority share of net profit		23	
Deferred tax movement	5.8	237	
Other non cash income & charges (unrealised foreign exchange gains/losses)			67
CASH FLOW FROM CONSOLIDATED COMPANIES		3,280	

(1) Depreciation and provisions in cash flow may present discrepancies with variations in balance sheet items which are listed in the "Note" column because elements of the Income Statement are presented at an average rate whereas elements of the balance sheet are presented at the closing rate.

Detail of movements in Working Capital Requirements at 31 December 2005 (€ thousands)	Note	At 31 December 2005	At 31 December 2004	Change
Trade accounts and notes receivable (NET)		11,793	7,186	(4,607)
Other receivables		4,302	3,296	(1,006)
Prepaid expenses		1,046	933	(113)
Total		5,348	4,229	(1,119)
Suppliers and related accounts	5.9.5	(20,422)	(15,874)	4,548
Tax and social debts	5.9.5	(2,363)	(1,337)	1,026
Other debts	5.9.5	(564)	(528)	36
Prepaid income	5.9.5	(104)	(120)	(16)
Total		(3,031)	(1,985)	1,046
Foreign exchange gain/loss on Working Capital Requirements		(140)		140
WORKING CAPITAL REQUIREMENTS		(6,452)	(6,444)	8

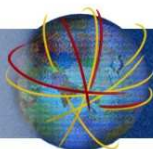
3. Changes of consolidated subsidiaries

CLASQUIN THAILAND was bought by CLASQUIN SA for 29,400 Thai Baht (€ 600).
Net cash allocated for this acquisition can be analysed as follows :

Amount paid by the group for the acquisition of shares of CLASQUIN THAILAND	€ 600
Less negative cash position of CLASQUIN THAILAND on 1 July 2005	(€ 34.500)
Exit of group cash for the acquisition of CLASQUIN THAILAND	€ 35.100

4. Foreign exchange differences on Working Capital Requirements

Movements in the different items of each flow statement cycle are determined on the average exchange rate, except for Working Capital Requirements which (in order to find the variations in consolidated balance sheet items) are calculated on the closing rate, the difference is totally allocated on the cycle.

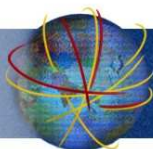


D. Movements in shareholders' equity - group share - and minority interests

In € thousands	Group share	Minority Interest	Total
Consolidated shareholders' equity at 31 December 2003	1,083	121	1,204
2004 net profit	1,121	18	1,139
Increase in capital	2,000		2,000
Cancellation of business (1)	(1,387)		(1,387)
Foreign exchange gains/losses	(118)	(7)	(125)
Variation of consolidated subsidiaries		(14)	(14)
Other movements	(4)		(4)
Consolidated shareholders' equity at 31 December 2004	2,695	118	2,813
Profit for 2005	2,090	23	2,113
Foreign exchange gains/losses	273	11	284
Dividends paid	(232)		(232)
Consolidated shareholders' equity at 31 December 2005	4,826	152	4,978

- (1) In 2004, an entry to correct an error in the value of the goodwill was made by cancelling the value of the goodwill and reducing consolidated equity (for € 1,387 thousand).
The value of the goodwill, which had been revalued when making a partial contribution of assets from a subsidiary in 1990, featured incorrectly in consolidated assets at 31 December 2003.
This correction corresponds to the adjustment in consolidation, which should have been made in 1990.

The share premium in 2004 for € 1,200 thousand was included in other reserves, in compliance with the decision taken at the Annual General Meeting on 15 June 2005.



E. Notes to 2005 consolidated annual accounts

1. Key events

1.1 Opening of subsidiaries abroad and offices in France

- On 1st July 2005, CLASQUIN THAILAND was bought by CLASQUIN SA for 29,400 Thai Baht (€ 600). This generated positive goodwill of € 84 thousand (see § 5.1.1 "Gross value of intangible assets"). Revenues from the company amounted to € 733 thousand for the second half 2005 and profit is € 3 thousand.
- Creation of CLASQUIN PYONGYANG Ltd, a Hong Kong corporation, a 51% subsidiary of CLASQUIN FAR EAST Ltd (Hong Kong). The minority shareholder is an individual outside of the Group. Investment for CLASQUIN FAR EAST in capital : € 6 thousand.
- Opening of 2 offices in CLASQUIN SA France :
 - In Grenoble, following the takeover of the transit operations of ECTRA,
 - In Tours (creation).

1.2 Closing of a subsidiary abroad

The dissolution is underway of CLASQUIN TAIWAN, a dormant company. Existing operations in the country are ensured by CLASQUIN FAR EAST.
No major cost for closing is expected.

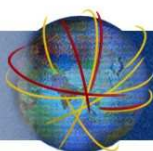
2. Operations and list of consolidated companies

2.1 Operations

Group operations revolve around 2 main areas :

- 1st area : organisation of air freight forwarding and related services.
- 2nd area : organisation of sea freight forwarding and related services.
- Services excluding air and sea freight forwarding (including related services) are marginal and therefore not listed in breakdown by business line.

These business lines are used in the framework of the business analysis presented in § 6.3.2 "Breakdown of sales by business line".



2.2 List of consolidated companies

The companies included in the consolidated subsidiaries are listed below :

ASIA – PACIFIC – USA			
Name of the company	% control	% interest	Consolidation method
CLASQUIN USA	80%	80%	FC
CLASQUIN JAPAN	100%	100%	FC
CLASQUIN SINGAPORE	100%	100%	FC
CLASQUIN FAR EAST	100%	100%	FC
CLASQUIN AUSTRALIA	100%	100%	FC
CLASQUIN KOREA	100%	100%	FC
CLASQUIN THAILAND	100%	49%	FC
CLASQUIN MALAYSIA	100%	100%	FC
CLASQUIN TAIWAN	80%	49%	FC
SECURE USA (ex CHB)	80%	80%	FC

EUROPE			
Name of the company	% control	% interest	Consolidation method
CLASQUIN SA	Parent company	Parent Company	
CLASQUIN ITALY	100%	100%	FC
CLASQUIN SPAIN	100%	100%	FC
LOG SYSTEM (1)	70%	70%	FC

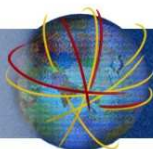
FC = Full Consolidation

(1) LOG SYSTEM is an IT services company which develops software, either for the group, or for third party customers.

2.3 Companies excluded from consolidated subsidiaries

Non-consolidated companies are as follows (see § 5.3.1 “Financial assets”) :

- CLASQUIN BANGLADESH, 70% held, has never been consolidated because of its insignificant size. In addition, it was closed in July 2005. Charges for closing were booked to expenses (see § 5.13 “Exceptional expense”).
- CLASQUIN PYONGYANG is not consolidated because of its very low level of activity.
- CLASQUIN NETHERLAND, is in the process of being wound up. Securities (fully provisioned) will be removed from the assets when the Dutch Trade court confirms its cancellation. The risks inherent to closing of this subsidiary have been provisioned (see § 5.7 “Provisions for liabilities and charges”).
- SCI RF : these are shares in a real estate partnership for parking space in a public plot in Roissy.



3. Accounting reference, consolidation methods, valuation methods and rules

3.1 Accounting reference

Consolidated accounts of the Clasquin group are drawn up in compliance with accounting rules and principles in force in France. Dispositions of rule n° 99.02 of the Committee de Regulations Comptable (accounting regulations committee), approved on 22 June 1999, have been applied since 1st January 2000.

3.2 Consolidation methods

3.2.1 Consolidation methods

Consolidation is based on accounts at 31 December 2005. All significant investments in which the group exercises exclusive control, directly or indirectly, are fully consolidated.

No company is consolidated using the proportional or equity method.

Some investments answering criteria above are not consolidated because of their modest impact (see § 2.3 "Companies excluded from consolidated subsidiaries").

Full consolidation consists of :

- Consolidating elements of consolidated company accounts in the accounts of the consolidating company, after any adjustments;
- Breaking down of shareholders' equity and the profit between interests of the consolidating company and interests of other shareholders or associates, the "minority interests";
- Elimination of transactions between the fully consolidated company and the other consolidated companies.

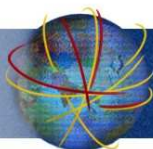
3.2.2 Translation of foreign company accounts

Subsidiaries of CLASQUIN SA are autonomous foreign companies, their accounts are translated using the year-end method :

- items on the balance sheet are converted into Euros at the year-end rate ;
- items on the Income statement are translated at an average rate for the year ;
- the exchange adjustment is included in shareholders' equity consolidated in the "Translation adjustment" item, and does not affect the result.

The conversion rates used are as follows :

Currencies	Average rate 2005	Average rate 2004	Rate on 31 December 2005	Rate on 31 December 2004
USD	1.24	1.24	1.18	1.35
JPY	136.78	134.43	139.27	138.88
SGD	2.07	2.10	1.97	2.21
HKD	9.66	9.68	9.21	10.54
AUD	1.63	1.68	1.61	1.73
KRW	1,278.08	1,429.84	1,219.51	1,470.58
THB	50.12	NA	48.63	NA
MYR	4.71	4.72	4.48	5.31
TWD	40.03	41.58	39.24	43.40



3.2.3 Elimination of intra-group operations

In compliance with regulations, transactions between consolidated companies and results between these companies have been removed in the consolidated accounts.

3.2.4 Acquisition goodwill

In compliance with statutory dispositions, acquisition goodwill is the difference between :

- the acquisition cost of investment shares;
- the share of the acquiring company in the total valuation of assets and liabilities identified on the acquisition date.

Positive acquisition goodwill is recorded as non-current assets and amortised over a period that reflects, as fairly as possible, the assumptions retained and objectives set on acquisitions : the maximum period is estimated at 10 years.

Negative acquisition goodwill is booked as a provision for liabilities and charges and is written back over a period evaluated in the same way as the positive acquisition goodwill, or a maximum of 10 years.

3.2.5 Year-end account closing date of consolidated companies

Companies are consolidated on the basis of annual accounts closed at 31 December 2005.

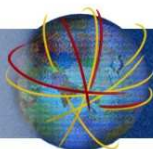
3.3 Valuation methods and rules

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

3.3.1 Application of preferential methods

Application of preferential methods of rule CRC 99-02 is as follows :

Application of preferential methods	Yes No N/A	Note
Recording of lease financing contracts	Yes	3.3.4
Provisions for pensions and similar funds	No	3.3.11
Allocation of issue expense and reimbursement premiums of bond loans over the period of the loan	N/A	
Recording to results of foreign exchange gains/losses in assets / liabilities	Yes	3.3.6
Recording of partially completed operations at year end as they progress	N/A	



3.3.2 Intangible assets

Intangible assets revalued at their acquisition or production value.

Period of amortisation of Intangible assets

Methods and periods of amortisation are as follows :

- software developed in-house is amortised between 4 and 8 years on the straight line method,
- other software is amortised from 1 to 6 years according to their forecast length of use.

3.3.3 Property, plant and equipment

Property, plant and equipment appear on the balance sheet at their acquisition cost (purchase price and associated expenses).

The group applies rules 2002-10 as regards depreciation and amortisation of assets and rule 2004-06 for the definition, recording and evaluation of assets.

Depreciation is calculated according to the straight-line method according to their forecast length of use.

The main methods of depreciation and length of use are as follows :

- fixtures and fittings : 5 to 10 years
- transport equipment : 3 to 4 years
- office and IT hardware : 2 to 5 years

3.3.4 Lease financing contracts

Operations involving a lease financing contract are restated using identical methods to an acquisition by credit for their original value in the contract. Depreciation conforms to the above-mentioned methods and rates, and the tax incidence of the adjustment is taken into account.

3.3.5 Financial assets

This item mainly consists of deposits and guarantees paid which are not to be amortised.

Moreover, this includes investment shares in non-consolidated companies. These shares are evaluated at their acquisition cost, possibly adjusted for a provision for amortisation, bringing the price to its value in use.

3.3.6 Receivables and debts

Receivables and debts are evaluated at their nominal value.

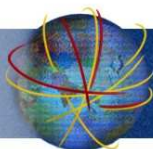
There is a factoring contract at CLASQUIN SA, which results in a reduction of customer accounts for the amount of invoices sold (see § 5.4 "Breakdown of receivables by maturity" and § 6.2 "Evolution of Working Capital Requirements and cash adjusted for factoring entries").

A provision for amortisation is set aside when the recoverable value of receivables is below book value.

A provision is made for bad debts for total or partial nominative amortisation if there is a likelihood of not recovering it based on historic experience.

At year-end, companies of the group value their debts and receivables in currencies, on the basis of the year-end exchange rate.

Debts and receivables hedged against exchange rate fluctuations are valued as a function of the hedging contract rate.



3.3.7 Financial hedging instruments

The group buys or sells forward currencies, in order to hedge its positions in foreign currencies. Generally speaking, forward contracts do not exceed 3 months.

3.3.8 Cash and marketable investment securities

Marketable investment securities are valued at their purchase or subscription price, excluding related charges. A provision for amortisation is made when the market price or probable selling price is below purchase value. The factoring contract mentioned in § 3.3.6 means a line of credit is available.

3.3.9 Income tax

In compliance with prescriptions of CRC n° 99-02, the group records deferred tax in case of :

- temporary differences between tax and accounting values of assets and liabilities in the consolidated balance sheet ;
- tax credits and loss carryovers.

Deferred tax is calculated using the liability method, applying the last tax rate in force for each company.

In application of rule CRC n° 99.02, deferred tax assets and liabilities amounts are offset for the same tax entity.

Deferred tax assets are only recognised if :

- its recovery does not depend on future results;
- its recovery is probable because of a taxable profit expected in the near future.

Deferred tax asset and liability positions are offset by the tax entity.

3.3.10 Provisions for liabilities and charges

A provision for is made when there is a commitment with a third party at the year-end closing date, and an outflow of cash is certain or probable on the account cut-off date, without equivalent counterparty.

3.3.11 Pension and similar service commitments

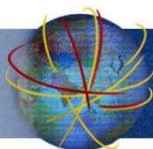
For French companies, the amount of rights acquired by employees when calculating retirement indemnities is generally determined as a function of their seniority and taking account of the probability of their still being with the company at retirement age.

Costs of services, not discounted and on the basis of employee stability, are estimated for French entities according to the following hypotheses :

- Prospective method
- Age of retirement : 65
- Turnover : low
- Mortality table : TV 88/90
- Collective agreement : agreement specific to each French company

For foreign companies : application of local legal rules.

For recording : see § 5.10.1 'Commitments given'.



3.3.12 Translation of foreign exchange operations

All transactions in foreign currencies are translated at the exchange rate in force at the time of the transaction. On account cut-off, balances in currencies are translated at the closing rate. Foreign exchange differences at that time and those generated on currency transactions are, if necessary, taken to financial results.

3.3.13 Sales recognition

Invoices issued by the company include :

- services for air freight, sea freight, customs, insurance, etc.
- customs duties re-invoiced to customers.

Revenues appearing in the income statement include income reported once the service is performed and only relate to those described in the first point above.

Customs duties re-invoiced to customers are posted directly to the balance sheet.

3.3.14 Difference between exceptional items and profit from operations

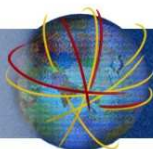
Profit from operations derives from activities in which the company is engaged in the context of its business and related activities.

Exceptional items derive from unusual events or operations distinct from normal operations and which should not occur frequently and regularly.

3.3.15 Earnings per share

Net earnings per share corresponds to the consolidated net profit- group share – in relation to the average weighted number of shares of the parent company, in circulation during the year (excluding treasury shares deducted from shareholders' equity).

Diluted earnings per share corresponds to the net consolidated profit- group share – in relation to the average weighted number of shares adjusted for the maximum impact of converting diluting instruments into ordinary shares.



4. Comparison of accounts

4.1 Particularities

The information provided in the notes on 31 December 2005 may require additional accounting data for consolidated 2004 accounts, when comparing them with the previous year.

This additional information comes from recommendations made by the AMF :

- harmonisation in the presentation of “Consolidated balance sheet”, “Consolidated Income statement” and “Cash flow statement” so as to make them perfectly homogeneous between 2005 and 2004,
- additional information to the notes to the consolidated accounts on 31 December 2004,
- correction of the title of line (B) of cash flow table attached to the balance sheet on 31 December 2004, incorrectly named “Cash from operations” and renamed “Cash from Working Capital Requirements”.

4.2 Accounting changes

Accounting changes likely to affect the comparison of accounts are of three types :

- change in accounting methods,
- change in estimates,
- correction of errors.

During the year, the following changes deserve to be mentioned :

- As of 1st January 2005, the different companies of the group applied French regulations as regards recording exchange gains/losses, by reporting the net amount of the foreign exchange gain or loss according to the law. This application reduced foreign exchange losses and gains by € 291 thousand, without impact on the profit.
- The first application of accounting principles not related to consolidation resulting notably from rule n° 2004-06 relating to the definition, recording and valuation of assets had no significant incidence on consolidated group accounts.

4.3 Changes in consolidated subsidiaries

4.3.1 Incoming and outgoing consolidated subsidiaries

As mentioned beforehand, CLASQUIN THAILAND was bought on 1 July 2005 by CLASQUIN SA and was consolidated in group accounts as of the acquisition date.

4.3.2 Internal restructuring

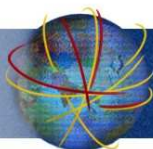
No internal restructuring occurred in 2005.

4.3.3 Changes in consolidation methods

No change in consolidation method was made in 2005.

4.4 Acquisitions or disposals of investments after year-end closing

Between the year-end closing date and account cut-off date, no acquisitions or disposals of investments were made.



5. Explanation of balance sheet and income statement and their movements

The tables below are an integral part of consolidated accounts.

5.1 Intangible assets

5.1.1 Gross value

So as to optimise group efficiency, an integrated management IT system was developed in-house. This system is deployed in all subsidiaries, except for the AEOLUS operating software. The latter manages 80% of group operations.

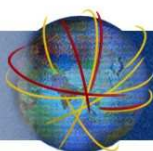
Over time, all subsidiaries will be equipped.

Movements in intangible assets are presented in the table below :

HEADINGS and ITEMS (in € thousands)	Gross values at the beginning of the year 1 January 2005	Movement in consolidated subsidiaries	Acquisitions	Disposals	Foreign exchange gain/loss	Gross values at the end of the year 31 December 2005
Intangible assets	3,821	7	516	24	13	4,333
Start-up costs	33	7		23	3	20
Acquisition goodwill (1)	261		84			345
Software	2,275		12	1	8	2,294
Leased software	1,231		420			1,651
Other intangible assets	21				2	23

(1) Acquisition goodwill concerns the following companies :

SUBSIDIARIES	GROSS AMOUNT
CLASQUIN SPAIN	4
CLASQUIN ITALY	61
CLASQUIN USA	6
LOG SYSTEM	96
CLASQUIN JAPAN	89
SECURE	5
CLASQUIN THAILAND	84
Total	345



5.1.2 Amortisation

HEADINGS & ITEMS (€ thousands)	Amortisation at the beginning of the year 1 January 2005	Movement in consolidated subsidiaries	Allocation	Recovery	Foreign exchange gain/loss	Amortisation at the end of the year 31 December 2005
Intangible assets	2,464	7	577	24	9	3,033
Start-up costs	30	7	2	23	3	19
Acquisition goodwill (2)	156		29			185
Software	1,558		375	1	6	1,938
Leased software	719		170			889
Other intangible assets	1		1			2

2) Amortisation of goodwill per company is listed below :

SUBSIDIARIES	AMORTISATION	NET AMOUNT
CLASQUIN SPAIN	3.5	0.5
CLASQUIN ITALY	61	0
CLASQUIN USA	6	0
LOG SYSTEM	77	19
CLASQUIN JAPAN	32	57
SECURE	2	3
CLASQUIN THAILAND	4	80
Total	185	160

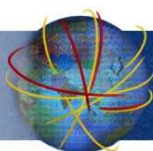
At 31 December 2005, the net book value of all software was as follows :

(€ thousands)	NBV at 31 December 2005	Depreciation	
		< 1 year	> 1 year
Software (AEOLUS, LILAUS, etc...)	1.014	413	601
Financial management software (EXACT, e GOR,...)	102	52	50
CRM software (e TRACING, ORCHID)	2	2	0
Total	1,118	467	651

5.2 Property, Plant and Equipment

5.2.1 Gross value

HEADINGS and ITEMS (€ thousands)	Gross values at the beginning of the year 1 January 2005	Reclas- sification	Change of consolidated subsidiaries	Acquisitions	Disposals	Foreign exchange gain/loss	Gross values at the end of the year 31 December 2005
Property, Plant & Equipment	2.035	0	39	677	242	125	2,634
Buildings	4						4
Fixtures / Fittings	1,200	(800)	34	172	85	118	639
Leased IT hardware	167			286			453
Other Property, Plant & Equipment	664	800	5	219	157	7	1,538



5.2.2 Amortisation

HEADINGS and ITEMS (€ thousands)	Amortisation at the start of the year 1 January 2005	Reclas- sification	Movement in consolidated subsidiaries	Allocations	Recoveries	Foreign exchange gain/loss	Amortisation at the end of the year 31 December 2005
Property, plant and equipment	1,336	0	17	415	227	102	1,643
Buildings	0	1		0			1
Fixtures / Fittings	883	(661)	14	77	77	96	332
Leased IT material	27			104			131
Other Property, Plant & Equipment	426	660	3	234	150	6	1,179

5.3 Financial assets

5.3.1 Gross value

HEADINGS and ITEMS (€ thousands)	Gross values at the start of the year 1 January 2005	Acquisitions	Disposals	Foreign exchange gain/loss	Gross values at the end of the year 31 December 2005
Financial assets	313	94	22	24	409
Shares in non-consolidated companies	51		1		50
Deposits and guarantees	231	81	20	18	310
Other financial assets	31	13	1	6	49

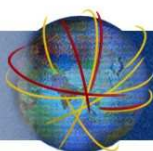
Non-consolidated investment securities concern the following companies :

SUBSIDIARIES	Securities gross value	Securities net value	% held	Shareholders' equity	Result	Closing date
CLASQUIN NETHERLAND (1)	18	0	100%	(1)	(1)	(1)
SCI RF	32	19	NS			
TOTAL	50	19				

(1) Company wound up in 2000 ; securities kept in assets while waiting for a decision by the Dutch Commercial court.

5.3.2 Amortisation

HEADINGS and ITEMS (€ thousands)	Amortisation at the start of the year 1 January 2005	Allocation	Recovery	Foreign exchange gain/loss	Amortisation at the end of the year 31 December 2005
Financial assets	29	3			32
Shares in non-consolidated companies	29	2			31
Deposits and guarantees	0	1			1
Other financial assets	0				0



5.4 Breakdown of receivables by maturity

5.4.1 Receivables by maturity

Receivables break down as follows :

GROSS VALUES (in € thousands)	At 31 December 2005	< 1 year	> 1 year
Trade accounts and notes receivable	12,172	11,784	388
Loans of non-consolidated companies	0	0	
Other receivables (1)	4,302	4,285	17
Deferred tax assets	21	21	
Sub-total	16,495	16,090	405
Prepaid expenses (2)	1,046	1,046	
Total	17,541	17,153	388

(1) Of which receivables related to factoring= € 2,263 thousand (see § 5.4.2 "Factoring")

(2) Prepaid expenses are mainly made up of expenses incurred for affairs post closing.

Expenses incurred by the IPO on 31 January 2006, but committed in 2005, were recorded at 31 December 2005 in a suspense account attached to the "Other receivables" item for € 221 thousand.
All these expenses, with those incurred in 2006, will be charged to the share premium.

5.4.2 Factoring

CLASQUIN SA has a factoring contract, which reduces trade receivables for the amount of invoices sold; in exchange, the factor places a current account at CLASQUIN's disposition.

At 31 December 2005, the impact on the receivables was a reduction of € 15,148 thousand.

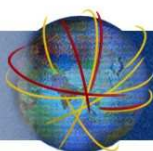
The incidence on other asset items and off balance sheet commitments, is resumed below :

Factor position (€ thousands)	31 December 2005	31 December 2004	
Other receivables	662	1,115	Invoices being on sale
	1,516	1,142	Cashing-in under way
	85	137	Factor guarantee funds
	2,263	2,394	Unavailable funds
Available from the factor	10,214	5,069	Financing available
	(2)	3,255	Customs and CASS allocated funds
	10,214	8,324	
Financing received on customer outstandings	2,671	857	Financing obtained from the factor on invoices sold not restituted
Amount of the trade receivables sold	15,148 (1)	11,575	

(1) A new factoring contract was put in place at the start of October 2005, with the regular sale of the global receivable balance.

(2) In the new factoring contract there is no reserve allocated to payment of customs duties, these payments are now directly deducted from available financing.

Moreover, insurance companies guarantee payment of customs duties to the Customs Administration to the extent of € 4,110 thousand.



5.5 Amortisation of current assets

ITEMS (€ thousands)	Amortisation at the start of the year 1 January 2005	Allocation	Recovery	Foreign exchange gain/loss	Amortisation at the end of the year 31 December 2005
Trade accounts and notes receivable	275	117	22	9	379
Loans non-consolidated companies	0				0
Total	275	117	22	9	379

5.6 Shareholders' equity

5.6.1 Composition of share capital

At 31 December 2005, share capital consisted of 1,900,000 shares with a nominal value of € 2, the nominal of each share was multiplied by 2 and the number of shares divided by 2, following the decision at the Annual General Meeting on 18 November 2005.

5.7 Provisions for liabilities and charges

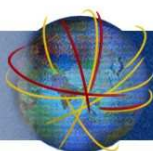
They are as follows :

Detail by type (in € thousands)	Subsidiary	Amount on 31 December 2004	Allocations	Foreign exchange gain/loss	Recoveries amounts		Amount on 31 December 2005
					used	not used	
Suppliers and customers	Holding	39	17		(39)		17
Guarantees CLASQUIN NETHERLAND (1)	Holding	377	19		(60)		336
Social risk	Holding	9			(9)		0
Adjustment customs accounts prev. year	Holding	63	101		(51)		113
Foreign exchange loss	Holding	15			(15)		0
Non conversion premium on bond loan	Holding	8	20				28
Retirement indemnities	CLQ Italy	14	10		(1)		23
Retirement indemnities	CLQ Japan	30	8	(1)	(6)		31
Total		555	175	(1)	(181)	0	548

(1) The guarantees given for the CLASQUIN NETHERLAND subsidiary amounted to € 544 thousand. In the context of litigation on these guarantees, the total amount of provisions for this risk amounts to € 336 thousand at 31 December 2005; beyond that sum, the company reckons the demands are unfounded.

At the beginning of 2006, the holding company signed an agreement with one of the suppliers concerned by these guarantees. This explains the reduction in the related provision and the exceptional charge of € 60 thousand recorded as the counterpart of a provision for liabilities.

Since 2002, CLASQUIN SA has been in litigation with a former employee. The company won the first case in the Conseil des Prud'hommes (labour court). The employee appealed and his case was turned down. The employee took the case to the supreme court of appeal but no provision has been made as the company considers the demand unfounded.



5.8 Deferred tax

Taking account of deferred tax in the consolidated financial statements at 31 December 2005 had the following impacts, item par item.

Analysis of deferred tax assets and liabilities :

Deferred tax assets (€ thousands)	At 1 January 2005	Impact on reserves	Impact on result	Other movements	At 31 December 2005
Provision for paid holidays	11		+32		43
Organic	4		+3		7
Miscellaneous adjustments	1		(1)		0
Compensation DTA/DTL	(66)		+37		(29)
Losses that can be carried over & deferred depreciation	308		(308)		0
Total charge (-) / income (+)	258		(237)		21

Deferred tax liabilities (€ thousands)	At 1 January 2005	Impact on reserves	Impact on result	Other movements	At 31 December 2005
Lease financing	66		(37)		29
Compensation DTA/DTL	(66)		+37		(29)
Total	0		0		0

5.9 Loans and financial debt

5.9.1 Type, variation and maturity of loans and financial debt

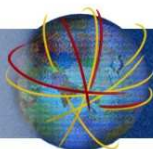
Financial debt can be broken down by type and maturity as follows :

Type (€ thousands)	Subsidiary	Amount at 31 December 2004	New loan	Foreign exchange gain/loss	Reimb. loan	Amount at 31 December 2005	Year 2006	Years 2007 to 2010	After 2010
Bond loans (1)	Holding	500				500		333	167
Loans with banks									
	Holding	1.011			413	598	231	367	0
	CL Spain	3			3	0			
	CL Australia	69		+5	5	69	69		
Sub-total		1.083		+5	421	667	300	367	0
Leasing loans	Holding	457	706		186	977	310	667	
Bank overdrafts	miscellaneous	938	766			1,704	1,704		
Associate current account	Holding								
Total Loans & financial debts		2,478	1,472	+5	607	3,348	2,314	1,034	0
TOTAL		2,978				3,848	2,314	1,367	167

(1) The bond loan was for the issue in 2004 of 200,000 bonds convertible in shares by Banque de Vizille, at a unit issue price of € 2.50. The loan will mature at the latest on 31 July 2011. Its annual cost is 4%.

These bonds come with a non conversion premium of 4% a year, calculated retroactively from the day the bonds were issued, and which, by prudence, has been provisioned in an account of financial results for the period concerned (see § 5.7 "Provisions for liabilities and charges" on the amount provisioned in the balance sheet).

(2) The original amount of the loan to CLASQUIN AUSTRALIA was in Euros.



5.9.2 Financial debt : breakdown by main currencies

Breakdown of loans and financial debt by original main currencies are as follows :

Valued amounts (€ thousands)	At 31 December 2005	EUR	HKD	SGD	AUD	JPY	MYR
Bonds	500	500					
Loans with banks	667	667					
Leasing loans	977	977					
Bank overdrafts	1,704	143	335	390	29	718	89
Associate current accounts	0						
Total loans and financial debts	3,848	2,287	335	390	29	718	89

5.9.3 Breakdown by rate type

Bank loans have a variable interest rate but can be hedged.
At 31 December 2005, no hedge was subscribed.

5.9.4 Debts covered by real guarantees

The global amount of debts covered by guarantees given by consolidated companies amount to € 390 thousand at 31 December 2005 and broke down as follows :

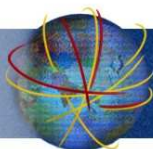
Type (€ thousands)	31 December 2005	31 December 2004
Pledging of CLASQUIN SINGAPORE business	390	196
Total loan and financial debts	390	196

5.9.5 Other short-term liabilities

The other short-term liabilities, all maturing within one year, break down as follows :

ITEMS (€ thousands)	31 December 2005	< 1 year	> 1 year
Suppliers and related accounts (1)	20,422	20,422	
Tax and social debts	2,363	2,363	
Other debts	564	564	
Sub-total	23,349	23,349	
Prepaid income	104	104	
Total	23,453	23,453	

(1) Of which € 5,029 thousand of debts are with the French Customs Administration.



5.10 Off balance sheet commitments

5.10.1 Commitments given

Factoring

The factor buys CLASQUIN SA trade receivables with recourse against the assignor. CLASQUIN SA undertakes to sell all its invoices.

The amounts of trade receivables sold, at the end of the period, are resumed below :

(€ thousands)	31 December 2005	31 December 2004
Amount of receivables sold	15,148 (1)	11,575

(1) Of which € 2,671 thousand in financing received on not-matured or matured receivables of less than 60 days (see § 5.4.2 "Factoring").

Individual training rights

At 31 December 2005, the number of hours acquired for Individual Training rights by French company employees was :

- CLASQUIN SA = 3,356 hours.
- LOG SYSTEM = 360 hours.

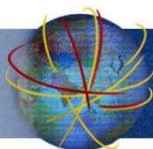
Work medals

At 31 December 2005, French companies posted no provision for risk related to social liabilities of work medals, as there is no obligation in the Collective Convention, or in a Company agreement.

Guarantees

Commitments given by CLASQUIN SA, in the form of guarantees, to financial organisations in counterparty to cash advances, or by way of guarantee with suppliers, are resumed in the table below :

In favour of subsidiaries (€ thousands)	31 December 2005	31 December 2004
CLASQUIN FAR-EAST	1,319	1,234
CLASQUIN JAPAN	718	716
CLASQUIN AUSTRALIA	205	208
CLASQUIN SPAIN	60	87
CLASQUIN SINGAPORE	573	519
CLASQUIN MALAYSIA	147	127
CLASQUIN ITALY	670	352
CLASQUIN NETHERLAND	544	619
CLASQUIN THAILAND	49	NA
Total	4,285	3,862



Retirement Indemnities

They are resumed in the tables below :

Subsidiaries recording the commitment in provision for risks	Commitment at 31 December 2005 (€ thousands)	Charge for 2005 (€ thousands)
CLASQUIN JAPAN	31	8
CLASQUIN ITALY	23	10

Subsidiary recording the commitment in tax and social debts	Commitment at 31 December 2005 (€ thousands)	Charge for 2005 (€ thousands)
CLASQUIN KOREA	50	20

Subsidiaries not recording the commitment in accounts	Commitment 31 December 2005 (€ thousands)
CLASQUIN SA (1)	68
LOG SYSTEM (1)	22
CLASQUIN SPAIN (2)	NS

(1) This amount was calculated with the following assumptions : retirement at 65, prospective method, without discounting or inflation.

(2) Given the low average age of CLASQUIN SPAIN personnel (payroll of 8 with the oldest being 30), the amount of retirement indemnities is considered as insignificant and was not calculated.

Subsidiaries paying pension premiums to a management organisation	Charge for 2005 (€ thousands)
CLASQUIN AUSTRALIA (Superannuation)	37
CLASQUIN FAR-EAST (MPF Contribution)	15

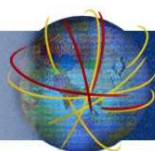
Subsidiaries with no commitment for retirement indemnities, in compliance with legislation in force in the country	Payroll of the subsidiary at 31 December 2005
CLASQUIN USA	12
SECURE USA	3
CLASQUIN SINGAPORE	11
CLASQUIN THAILAND	14
CLASQUIN MALAYSIA	10

5.10.2 Commitments received

The credit risk on invoices sold to the factor is covered by credit insurance, with delegation of an indemnity right in favour of the factor.

The total amount of trade receivables sold, not covered by a creditor's insurance and financed by the factor, cannot exceed € 800 thousand.

In § 5.4.2, the unavailable funds noted in the "Factor position" table indicate the outstanding customer balances sold not covered by insurance credit (it was € 85 thousand on 31 December 2005).



5.11 Financial instruments

The group buys or sells forward currencies, to hedge its positions in foreign currencies.

Forward contracts do not exceed 3 months.

At 31 December 2005, hedges used are as follows (no position was taken as a speculation) :

in thousands currencies	CLASQUIN JAPAN		CLASQUIN FAR EAST		CLASQUIN AUSTRALIA		CLASQUIN FRANCE	
	Purchase	Sale	Purchase	Sale	Purchase	Sale	Purchase	Sale
at 31 December 2005	€ 426 thousand	JPY 59,040 thousand	\$HK 13,331 thousand	€ 1,450 thousand	€ 100 thousand	\$AU 159 thousand	€ 337 thousand	\$400 thousand
at 31 December 2004	€ 200 thousand	JPY 27,748 thousand	\$HK 11.065 thousand	€ 1,110 thousand	€ 90 thousand	\$AU 153 thousand	€ 186 thousand	\$250 thousand

5.12 Financial results

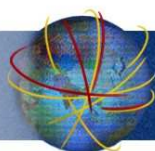
Financial results break down as follows :

Type (€ thousands)	31 December 2005	31 December 2004
Financial income		
Foreign exchange gains	771	1,214
Other financial income	6	7
Total	777	1,221
Financial charges		
Depreciation expenses and provisions	23	23
Foreign exchange losses	837	1,156
Interest and similar charges	278	348
Total	1,138	1,527
Financial results	(361)	(306)

5.13 Exceptional result

Exceptional results break down as follows :

Detail by type (€ thousands)	Exceptional expense	Exceptional income	Net expense
Customer adjustments on prior years	28		(28)
Bad debt	24	122	98
Payment customer litigation CLASQUIN MALAYSIA	67		(67)
Adjustments suppliers & Customs accounts on prior years	113	41	(72)
Disposal of non-current assets	16	1	(15)
Litigations CLASQUIN NETHERLAND	128	60	(68)
Of which lawyers fees : 49			
& provision for delayed interest on guarantees : 19			
& indemnity paid to the supplier : 60 (provision recovery)			
Charges for closing of CLASQUIN BANGLADESH	13		(13)
Fines and penalties	7		(7)
Miscellaneous	70	4	(66)
TOTAL	466	228	(238)



5.14 Income tax

5.14.1 Analysis of corporate income tax

Tax losses and deferred depreciation to be carried over by the holding company were fully used on 31 December 2005.

This operation generated a deferred tax charge of € 308 thousand, as indicated in the table below :

(€ thousands)	Amount at 31 December 2004	Increase	Reduction	Amount at 31 December 2005
Deferred tax deficits & depreciation				
Existing	905		905	0
Used	905		905	0
Remainder to be used	0		0	0
Corresponding deferred tax (at a rate of 34%)	308		308	0

Corporate income tax resulting from tax deficits that can be carried over and deferred depreciation have not been adjusted for foreign subsidiaries.

Corporate income tax resulting from temporary differences was adjusted for French and foreign companies.

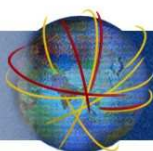
In 2005, it generated a charge of € 237 thousand - of which € 308 thousand is included above - (see § 5.8 "Deferred tax").

5.14.2 Tax proof

(€ thousands)	31 December 2005	31 December 2004
Net profit of the consolidated total	2,113	1,139
Corporate income tax	+ 590	+ 188
Net profit before tax	2,703	1,327
Theoretical tax charge (at a rate of 34%)	919	451
Tax charge recorded	590	188
Difference of tax to explain (1)	329	263

(1) The difference between corporate income tax in the income statement and theoretical tax charged on the basis of the rate in force in France is structured as follows :

(€ thousands)	CHARGES	INCOME
Rate spread on foreign companies		140
Tax losses of the year not used	11	
Deficits to be carried over & deferred depreciation used		109
Elements taxed at the reduced rate & tax credits		2
Permanent differences		89
Yearly minimum tax		
Variation of rate on deferred tax		
Total	11	340
Net tax income		329



5.15 Breakdown of staff and employee performance-based salary

The average number of employees in fully consolidated companies breaks down as follows :

5.15.1 Staff : breakdown by geographic zone

	2005			2004		Change 2005 / 2004
	Number	%	%	Number	%	
France	141	45.6%	43.4%	121	47.1%	16.5%
Other European countries	13	4.2%	4.0%	10	3.9%	30.0%
Asia	143	46.3%	44.0%	113	44.0%	26.6%
USA	12	3.9%	3.7%	13	5.0%	-7.7%
Total excl. Log System	309	100.0%	95.1%	257	100.0%	20.2%
Log System	16		4.9%	10		60.0%
Total	325		100.0%	267		21.7%

5.15.2 Staff : breakdown by function

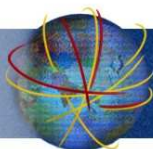
	2005		
	Number	%	%
Operations	187	60.5%	57.6%
Sales	53	17.2%	16.3%
Back office	40	12.9%	12.3%
Management (of which country and PC managers)	29	9.4%	8.9%
Total excl. Log System	309	100.0%	95.1%
Log System	16		4.9%
Total	325		100.0%

5.15.3 Staff : breakdown executives / non executives

	2005		2004		Change 2005 / 2004
	Number	%	Number	%	
Non executives	235	72.3%	196	73.4%	19.9%
Executives	90	27.7%	71	26.6%	26.8%
Total	325	100.0%	267	100.0%	21.7%

5.15.4 Employee performance-based salary

- 1st half 2004 : no performance-based salary.
- 2nd half 2004 : performance-based salary applicable at CLASQUIN SA : cost = € 154 thousand.
- 2005 : performance-based salary applicable at CLASQUIN SA : cost = € 659 thousand.



6. Other information

6.1 Income statement

INCOME STATEMENT	€ thousands	
	31 December 2005	31 December 2004
SALES	92,334	70,635
DIRECT PURCHASES	70,652	53,079
GROSS PROFIT	21,682	17,556
Office related expenses	1,493	1,488
Communication expenses	608	592
Marketing expenses	452	318
Travel expenses	902	673
Fees	829	701
Insurance	465	320
Miscellaneous	642	523
TOTAL EXTERNAL CHARGES	5,391	4,615
ADDED VALUE	16,291	12,941
Salaries & charges	11,995	9,672
EBITDA	4,296	3,269
Amortisation, depreciation and provisions net of recoveries	965	1,192
EBIT	3,331	2,077
Financial income	777	1,220
Financial charges	1,138	1,527
FINANCIAL RESULT	(361)	(307)
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	2,970	1,770
Exceptional income	229	437
Exceptional charges	467	856
EXCEPTIONAL RESULT	(238)	(419)
NET PROFIT BEFORE TAX	2,732	1,351
CORPORATE TAX	590	189
AMORTISATION OF GOODWILL	29	23
CONSOLIDATED NET PROFIT	2,113	1,139

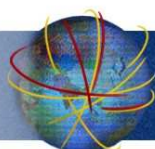
CASH FLOW (€ thousands)	3,280	2,264
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6.2 Evolution of Working Capital Requirements and cash adjusted for factoring

The balance sheet of the Clasquin group includes entries related to the use of factoring as follows :

- Sale of customer invoices to the factor is booked to the credit of customer accounts,
- The guarantee funds appear in other receivables on the balance sheet assets,
- Outstanding invoices sold, available at any time for financing by the factor, appear in cash.

The tables below were prepared exclusive of the sale to the factor, in order to present working capital requirements and group cash resources, net of factoring impact.

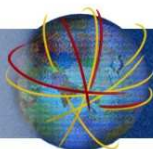


6.2.1 Summary consolidated financial situation of Clasquin group

€ thousands	31 December 2005	31 December 2004		31 December 2005	31 December 2004
Non current	2,670	2,341	Equity	4,978	2,813
			Other stable financing	2,692	2,595
			Total stable financing	7,670	5,408
			I - Working capital	5,000	3,067
Other receivables (of which loans to non-consolidated companies)	11,793	7,186	Suppliers and related accounts	20,422	15,874
Cancellation of sales to the factor	5,348	4,234	Other debts	3,031	1,985
Customers, related accounts and other receivables before sale to factor	12,885	9,181	Operating financing	23,453	17,859
II - Working capital requirements adjusted for factoring	30,026	20,601			
	6,573	2,742			
III - Deferred tax	21	258			
Cash before factoring adjustment	11,291	9,248	Bank overdraft before factoring adjustment		
Factoring adjustment	(12,885)	(9,181)	Factoring adjustment		
Cash adjusted for factoring		67	Bank overdrafts adjusted for factoring	1,594	

6.2.2 Cash flow statement adjusted for factoring

€ thousands	31 December 2005	31 December 2004
- Net profit (group share)	2,090	1,121
- Elimination of non-cash items	1,190	1,143
♦ Cash flow from consolidated companies (A)	3,280	2,264
- Trade accounts receivable	(4,607)	(1,284)
- Other receivables (of which loans to non-consolidated companies)	(1,119)	(54)
- Cancellation of sales to the factor	(3,704)	(2,282)
- Supplier debts and related accounts	4,548	3,304
- Other debts	1,046	327
- Foreign exchange difference on Working Capital Requirements	140	2
♦ Cash from working capital requirements (B)	(3,696)	13
♦ Cash from operating activities (C) = (A) + (B)	(416)	2,277
♦ cash from operation on capital (D)		2,000
♦ Cash from investing activities (E)	(1,201)	(589)
♦ Cash from financing activities (F)	(133)	763
♦ Miscellaneous (G)		(43)
Net movements of cash adjusted for factoring (C) + (D) + (E) + (F) + (G)	(1,750)	4,408
(a) Cash and cash equivalents at the start of the period adjusted for factoring	67	(4,281)
(b) Cash and cash equivalents at the end of the period adjusted for factoring	(1,594)	67
(c) Foreign exchange gain/loss	(89)	60
Net movements of cash adjusted for factoring (b) - (a) + (c)	(1,750)	4,408



6.2.3 Reconciliation between the cash flow statement (§ C.1) and cash flow statement adjusted for factoring (§ 6.2.2)

€ thousands	31 December 2005				
	Cash flow statement (§ C.1)	Cash flow statement adjusted for factoring (§ 6.2.2)	Ref. in the cash flow statement adjusted for factoring	Difference	Of which
Cash flow	3,280	3,280	(A)	0	
Cash from Working Capital Requirements	(3,696)	8	(B)	(3,704)	Variation of factoring (3,704)
Cash from investing activities	(1,201)	-1,201	(E)	0	
Cash from financing activities	(133)	-133	(F)	0	
Net movement in cash	(1,750)	1,954		(3,704)	= variation of factoring (3,704)
Cash and cash equivalents at the end of the period	11,291	-1,594		12,885	= Net receivable sold at the end of the period.

6.3 Sales

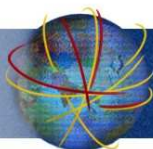
6.3.1 Breakdown of sales by geographic zone

- Before consolidation entries :

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
France	55,381	48.1%	44,057	49.0%	11,324	25.7%
Other European countries	6,153	5.3%	3,781	4.2%	2,372	62.7%
Asia	47,446	41.2%	35,992	40.0%	11,454	31.8%
USA	6,231	5.4%	6,109	6.8%	122	2.0%
Total excl. Log System and consolidation entries	115,211	100.0%	89,939	100.0%	25,272	28.1%
Log System	1,365		908		457	50.2%
Consolidation entries	(24,242)		(20,212)		(4,030)	19.9%
Consolidated total	92,334		70,635		21,699	30.7%

- After consolidation entries :

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
France	48,728	53.5%	35,718	51.1%	13,010	36.4%
Other European countries	4,688	5.1%	2,251	3.2%	2,437	108.2%
Asia	33,387	36.6%	28,713	41.1%	4,674	16.3%
USA	4,340	4.8%	3,179	4.6%	1,161	36.5%
Total excl. Log System	91,143	100.0%	69,861	100.0%	21,282	30.4%
Log System	1,191		774		417	53.8%
Consolidated total	92,334		70,635		21,699	30.7%



6.3.2 Breakdown of sales by business line

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
Air freight	51,387	56.5%	40,594	58.22%	10,793	26.6%
Sea freight	36,825	40.5%	26,618	38.17%	10,207	38.3%
Others	2,757	3.0%	2,515	3.61%	242	9.6%
Total excl. Log System	90,969	100.0%	69,727	100.0%	21,242	30.5%
Log System	1,365		908		457	50.2%
Consolidated total	92,334		70,635		21,699	30.7%

6.3.3 Breakdown of sales by currency

	2005		2004	
	€ thousands	%	€ thousands	%
Eur	62,900	54.0%	48,746	53.7%
USD/HKD	30,465	26.1%	20,751	22.8%
Yen	10,072	8.6%	11,486	12.6%
Others	13,139	11.3%	9,864	10.9%
Total before consolidation entries	116,576	100.0%	90,847	100.0%
Consolidation entries	(24,242)		(20,212)	
Total before consolidation entries	92,334		70,635	

6.3.4 Effect of exchange rates sales

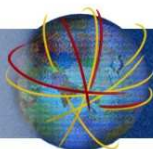
	2005	2004	Variation	%
On variable exchange rate	92,334	70,635	21,699	30.7%
On constant exchange rate	91,959	70,635	21,324	30.2%
Difference			375	0.5%

6.4 Gross profit

6.4.1 Breakdown of gross profit by geographic zone

- Before consolidation entries :

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
France	11,967	54.3%	9,898	54.8%	2,069	20.9%
Other European countries	1,300	5.9%	988	5.5%	312	31.5%
Asia	7,381	33.5%	5,841	32.3%	1,540	26.4%
USA	1,380	6.3%	1,330	7.4%	50	3.8%
Total excl. Log System and consolidation entries	22,028	100.0%	18,057	100.0%	3,971	22.0%
Log System	955		651		304	46.6%
Consolidation entries	(1,301)		(1,152)		(149)	12.9%
Consolidated total	21,682		17,556		4,126	23.5%



- After consolidation entries :

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
France	11,085	53.1%	8,996	53.2%	2,089	23.2%
Other European countries	1,300	6.2%	883	5.2%	417	47.2%
Asia	7,143	34.2%	5,696	33.7%	1,447	25.4%
USA	1,343	6.5%	1,330	7.9%	13	1.0%
Total excl. Log System	20,871	100.0%	16,905	100.0%	3,966	23.5%
Log System	811		651		160	24.6%
Consolidated total	21,682		17,556		4,126	23.5%

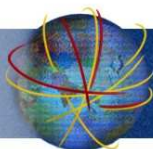
6.4.2 Breakdown of gross profit by sector

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
Air freight	12,779	61.7%	10,417	61.6%	2,362	22.7%
Sea freight	7,236	34.9%	5,467	32.3%	1,769	32.4
Others	712	3.4%	1,021	6.1%	-309	-30.2%
Total excl. Log System	20,727	100.0%	16,905	100.0%	3,822	22.6%
Log System	955		651		304	46.6%
Consolidated total	21,682		17,556		4,126	23.5%

6.5 EBIT

6.5.1 Breakdown of EBIT by geographic zone

	2005		2004		Change 2005 / 2004	
	€ thousands	%	€ thousands	%	€ thousands	%
France	1,540	46.1%	1,485	71.2%	55	3.7%
Other European countries	341	10.2%	138	6.6%	203	147.6%
Asia	1,336	40.1%	347	16.6%	989	285.1%
USA	120	3.6%	116	5.6%	4	3.8%
Total excl. Log System and consolidation entries	3,337	100.0%	2,086	100.0%	1,251	60.0%
Log System	51		28		23	82.6%
Consolidation entries	-57		-37		-20	56.1%
Consolidated total	3,331		2,077		1,254	60.4%



6.6 Post balance sheet events

The company was launched on the Alternext market of Euronext Paris on 31 January 2006.

The number of marketed shares was 496,276.

The share price was set at € 15.50.

The gross income from the offer amounted to € 7,692,278.

The gross income of the increase of capital amounted to € 4 619,000.

The gross income from sale of shares by shareholders amounted to € 3,073,278.

At the time of the IPO, CLASQUIN SA employees subscribed to 31,931 shares for the FCPE "Clasquin Performances".

The share price was set at € 12.40 (after a discount of 20%).

Income from the increase of capital reserved for employees amounted to € 395,944.

Following these two operations, company capital was raised to € 4,459,862, or 2,229,931 shares of € 2 each.

6.7 Associated companies

The volume of transactions with associated non-consolidated companies is insignificant.

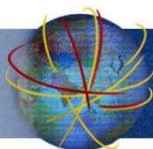
6.8 Directors

6.8.1 Compensation granted to members of the board and executive

Remuneration of the board members and executives amounts to € 225 thousand for 2005.

6.8.2 Commitments as regards pensions and similar indemnities

There are no commitments as regards pensions and similar indemnities to the benefit of directors, former board members and executives.



Auditors' report on consolidated financial statements for the year ending 31 December 2005

Ladies and Gentlemen,

In fulfilment of the assignment entrusted to us by your General Meeting, we hereby present you with our report relating to the audit of CLASQUIN SA consolidated financial statements for the financial year ending on 31 December 2005, as attached to this report.

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

Opinion on consolidated financial statements

We performed our audit according to professional standards applicable in France; these standards require deployment of due diligence enabling the reasonable assurance that the consolidated accounts contain no significant anomalies. An audit involves examining, on a test basis, pertinent elements justifying the data contained in these financial statements. It also involves assessing the accounting principles used and the relevant estimates applied for closing of accounts and assessing their overall presentation. We consider that our checks provide a reasonable basis for the opinion expressed below.

We certify that the consolidated financial statements are, with regard to French rules and accounting principles, fairly presented and give a fair presentation of the assets, the financial position and the overall results of companies and entities within the scope of consolidation.

Without altering the opinion expressed above, we would draw your attention to the following points in the notes :

- note 4.1. : presentation of additional information in comparison with years prior to 2005,
- note 4.2. : the incidence of the change in accounting method resulting from the first application of rules n° 2004-06 and n° 2002-10 on the definition, recording and valuation of assets.

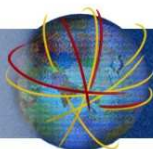
Justification of assessments

In application of dispositions in article L.823-9 of the Code of Commerce relative to the justification of our assessments, we would point out the following elements :

- in the framework of our appreciation of presentation principles used by your company, we concur with the merits of changes in presentation mentioned in paragraph 4.1. of the notes to consolidated financial statements at 31 December 2005 and the presentation used,
- as indicated in notes 3.3.6. and 3.3.8. to the financial statements, Clasquin SA sells trade receivables via a factoring contract.

We examined the correct translation of factoring operations, the suitability of such accounting and its presentation in consolidated financial statements. We also concur that notes 3.3.6. and 3.3.8. provide appropriate information.

The assessments thus expressed form part of our audit approach for annual financial statements, considered overall, and contributed to the founding of our opinion in the first part of this report.



Specific verification

Furthermore, in compliance with professional standards applicable in France, we also performed verification of information given in the report on group management. We have no remarks to make on their fairness and concordance with consolidated financial statements.

Lyons, 5 April 2006

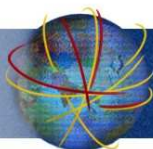
Auditors

KPMG Entreprises
Department of KPMG S.A.

Cabinet Pin et Associés

Alain Chamak
Associé

Jean-François Pin
Associé



OTHER DOCUMENTS

Report on internal control

Document attached to the management report, giving account of conditions for the preparation and organisation of Board tasks and the internal control procedures deployed by the Company

In compliance with article L.225-37 of the Code of Commerce, the Chairman of the Board of Directors gives account of conditions for the preparation and organisation of Board tasks and the internal control procedures deployed by the company in a document attached to the management report. Without prejudice to dispositions of article L.225-56 of the Code of Commerce, the report further indicates possible limits that the Board of Directors may impose on the power of the CEO.

It is my honour to present this report.

1. Conditions for the preparation and organisation of Board tasks

1.1 Composition of the Board of Directors

Mr. Yves REVOL, Chairman-CEO and Director :

- renewal of his mandate as Director by the Annual General Meeting on 13 June 2003 ;
- renewal of his mandate as Chairman-CEO by the Board of Directors meeting on 16 June 2003 ;
- expiry of the mandate at the Annual General Meeting considering the 2008 financial statements.

Mr. Philippe LONS, Deputy General Manager and Director :

- renewal of his mandate as Director by the Annual General Meeting on 13 June 2003 ;
- renewal of his mandate as Deputy General Manager by the Board of Directors meeting on 5 April 2006 for a period equalling that of the Chairman-CEO's mandate;
- expiry of the mandate at the Annual General Meeting ruling on the 2008 financial statements.

OLYMP, Director, represented by Mr. Philippe LE BIHAN :

- appointment by the Annual General Meeting on 15 July 2004 ;
- expiry of the mandate at the Annual General Meeting ruling on the 2009 financial statements.

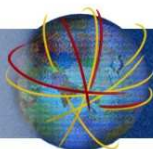
Two Deputy General Managers are not part of the Board of Directors :

Mr. Philippe LE BIHAN, Deputy General Manager :

- renewal of his mandate as Deputy General Manager by the Board of Directors meeting on 5 April 2006 for a period equalling that of the Chairman-CEO's mandate.

Mr. Serge RENAULT, Deputy General Manager :

- renewal of his mandate as Deputy General Manager by the Board of Directors meeting on 5 April 2006 for a period equalling that of the Chairman-CEO's mandate.



1.2 Role and functioning of the Board of Directors

The Board of Directors met 8 times during 2005. The average attendance rate of Directors (by attendance or by proxy) during 2005 was 95.83%.

1.3 Limitations of the CEO's powers

Article 18 "General Management" of the company bylaws stipulates that "With reserve to the powers that the law expressly grants to shareholders meetings, and the powers that it reserves especially for the Board of Directors, the Chairman - CEO is vested with the powers falling to the CEO, in respect of the law. He is vested with the broadest powers to act in all circumstances in the name of the company. He exercises these powers in the limit of the objects of the company and with reserve to the powers the law expressly gives to meetings of shareholders and the Board of Directors".

1.4 Existence of Special Committees

The work of the Board of Directors relies on special committees and the regularly held meetings.

The Management Committee meeting is held on every second Monday at the head office, attended by the head of group Human Resources, the group IT Director, the Deputy General Managers, the Chairman and if necessary, heads of major centres. The agenda concerns at least the general financial situation and results, strategic business questions, market situation, customers, competitors, IT systems and important miscellaneous questions. A World Committee meeting with the heads of Asian and American zones is held at least twice a year.

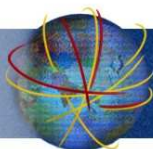
The Human Resources management Committee is the meeting specifically for questions concerning human resources. It meets once every two weeks and is attended by the Head of Human Resources. It deals with global questions such as remuneration, salary policy, recruiting policy and individual questions concerning hiring, departures, transfers.

The France monthly meeting brings together the heads of each profit centre in France. It is held once a month, lasting a full day and the planning is set for the year. The objective is to analyse the activity of each profit centre from the financial and commercial viewpoints. The head of each profit centre reports on monthly results, commercial events and short-term evolution. A written report is produced.

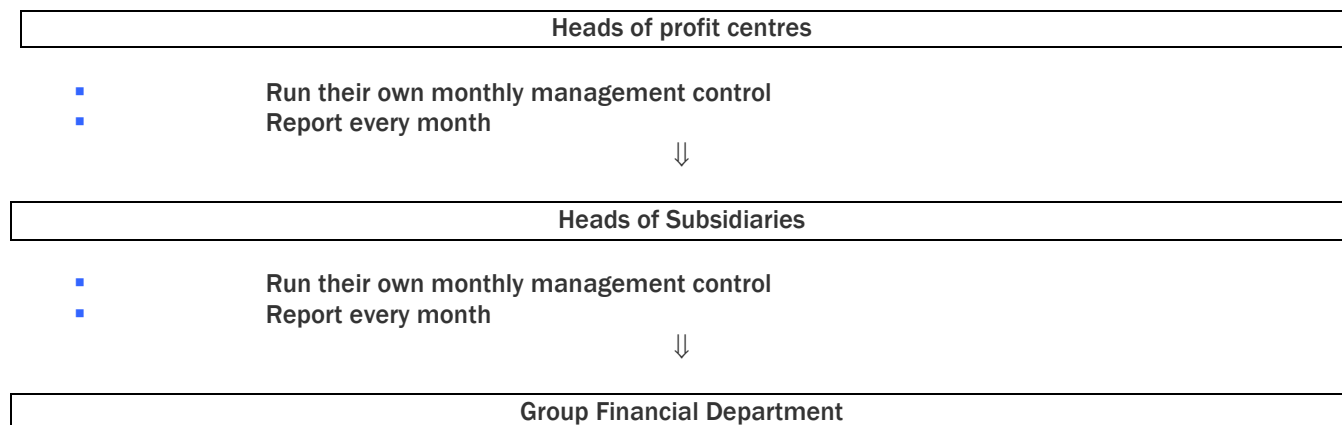
2. Procedures deployed by the company

For many years, CLASQUIN SA has developed its own information system internally and has deployed it throughout the network (Group) to enable financial control and operational reporting orientated to the control of the whole network.

Organisation of financial control and reporting is intricately linked to the information system and depends on financial control, both centralised and decentralised. This organisation depends on heads of profit centres and is subsequently monitored by head office.



2.1 General presentation of group management control at subsidiary and profit centre level-Players



2.2 Consolidation

Operational consolidation is made :

- every month on the basis of information statistics ;
- every half year on the basis of accounting information. Consolidated accounts on 30 June are not submitted for Auditors' certification.

The procedure for preparing the "GOR" (Group Operational Result) via a unique format IT tool enables analysis of the Income Statement. It is monitored by the head office. This is a monthly procedure.

Preparing the "PAS" (Periodical Accounting Statement) is a dynamic procedure as it allows control between the accounting records of the subsidiary and the "GOR". Each discrepancy must be explained.

2.3 Financial monitoring

The ADA (Analytical Debtors Analysis) is compulsory and must be drawn up each month by individual subsidiaries. It affords instant visualisation of customer receivables. This control is conducted at least once a month at the group head office.

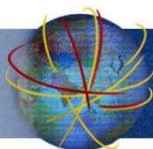
2.4 Legal control

The regulatory and legal control of company operations are performed by a legal manager under the authority of the Administrative and Financial Director and the Chairman-CEO.

2.5 Other procedures set up by CLASQUIN SA

The Recruiting Procedure, started in 2003 by the Human Resources Management Committee, was finalised in the 3rd quarter of 2005; it has been effectively applied since then.

Chairman of the Board of Directors



Auditors' report on the internal control report

Drafted in application of article L.823-9 of the Code of Commerce on the report by the Chairman of the CLASQUIN SA Board of Directors as regards internal control procedures concerning the preparation and processing of accounting and financial information for the year ending 31 December 2005

Ladies and Gentlemen,

As Auditors to the accounts of CLASQUIN and in application of dispositions of article L. 823-9 of the Code of Commerce, we hereby present our report on the report prepared by the Chairman of your Company in compliance with dispositions of article L.225-37 of the Code of Commerce for the year ending 31 December 2005.

It is the duty of the Chairman to give account in his report of conditions especially for the preparation and organisation of the Board of Directors work and internal control procedures deployed within the company.

It is our duty to inform you of our observations based on the information given in the Chairman's report concerning internal control procedures relative to the preparation and processing of the accounting and financial information.

We performed our task in compliance with the professional standards applicable in France. This requires employing diligence to assess the fairness of information given in the Chairman's report concerning internal control procedures relative to the preparation and processing of the accounting and financial information. Such diligence notably consists of :

- Taking cognisance of the objectives and general organisation of the internal control, as well as the internal control procedures relative to the preparation and processing of the accounting and financial information, presented in the Chairman's report;
- Taking cognisance of the documentation underlying the information given in the report.

On the basis of this work, we have no observations to make on the information provided concerning internal control procedures of the company relative to the preparation and processing of the accounting and financial information, presented in the Chairman of the Board of Directors' report drawn up in application of dispositions of the last paragraph of article L. 225-37 of the Code of Commerce.

LYONS, 5 April 2005

Auditors

KPMG - Companies
Department of KPMG SA
Alain Chamak
Associate

PIN and ASSOCIES

Jean-François PIN
Associate