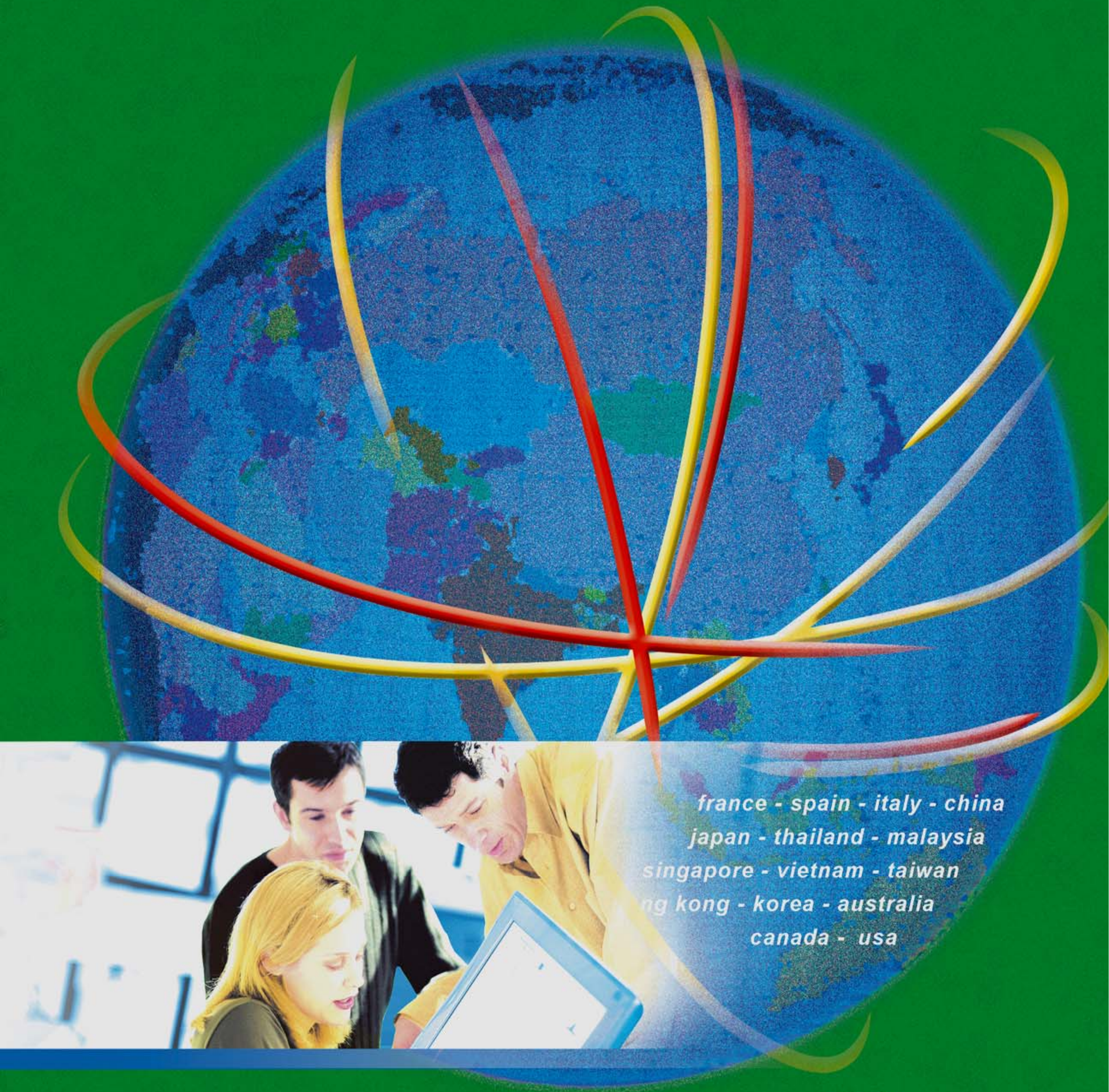
ANNUAL REPORT 2006



CLASQUIN
OVERSEAS FORWARDING AND LOGISTICS

SUMMARY

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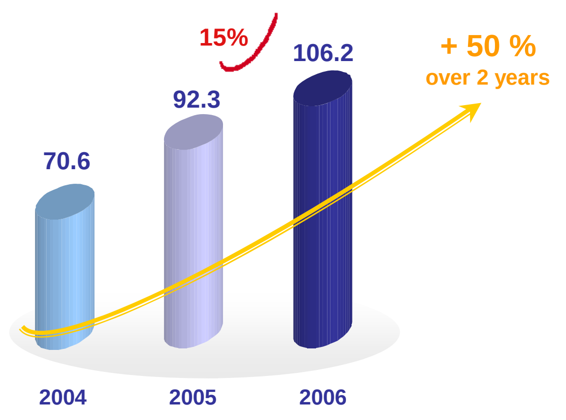
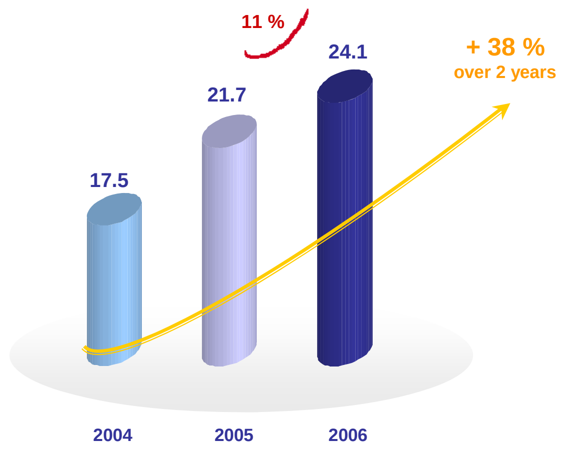
FINANCIAL OVERVIEW 2006

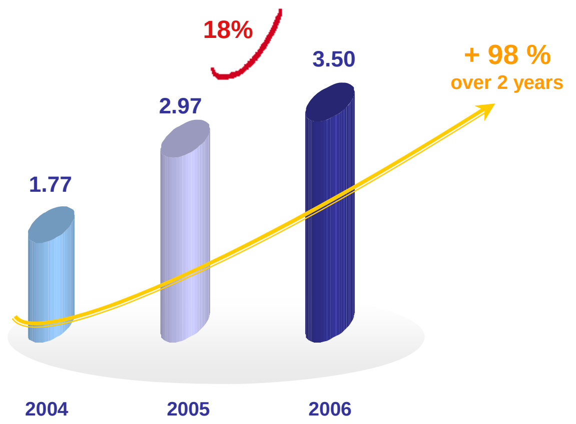
Consolidated sales (in € millions)



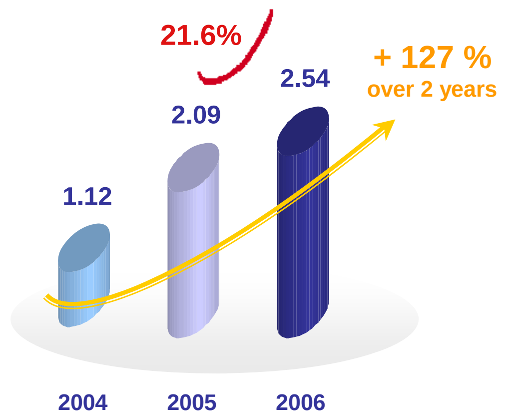
Consolidated gross profit (in € millions)



Profit from ordinary activities (in € millions)



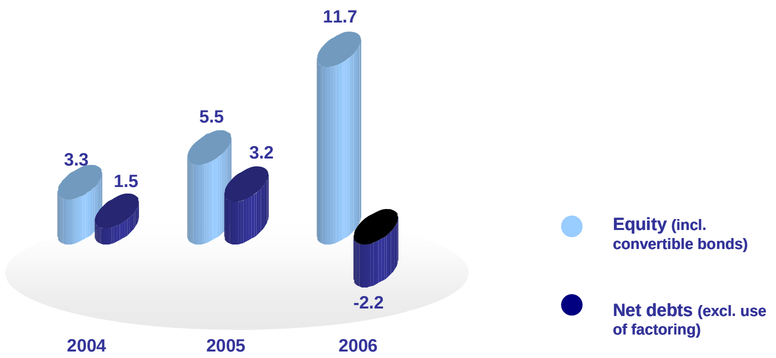
Net profit Group share (in € millions)



Income statement (in € millions)

In M€	2006	% G.P.	2005	% G.P.	2004	% G.P.
Sales	106.2		92.3		70.6	
Gross profit	**24.1**	*100 %*	**21.7**	*100 %*	**17.6**	*100 %*
EBIT	3.5	*14.4%*	3.3	*15.4%*	2.1	*11.8 %*
Profit from ordinary activities	3.5	*14.6 %*	3.0	*13.7 %*	1.8	*10.1 %*
Net profit (group share)	2.5	*10.6 %*	2.1	*9.6 %*	1.1	*6.4 %*

Financial structure (in € millions)

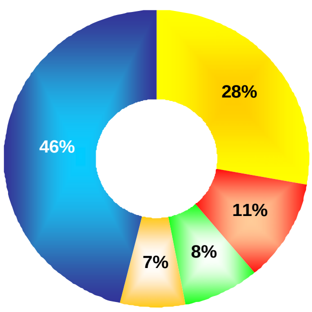


GEARING		
2004	2005	2006
44.5 %	59.1 %	-18.7 %

Financial ratios (in € millions)

In M€	2004	2005	2006
ROE	34.6%	39.8%	22.1%
ROCE	40.1%	36.0%	34.4%

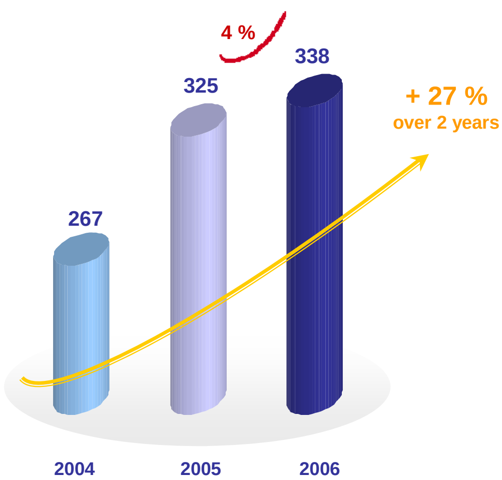
Structure of shareholding (in %)



Breakdown of CLASQUIN capital
(on 31.12.2006)

- Yves REVOL (direct. or indirect.)
- Float
- Banque de Vizille
- Employees
- Others

Headcount



CHAIRMAN'S MESSAGE

In 2006 CLASQUIN Group's growth continued with a 15% increase in sales to 106.2 million Euros and a 22% gain in the net result to 2.54 million Euros. Air freight and sea freight respectively recorded an increase of 11% and 19%. These performances validate our "business model" (with no physical assets and specialising only in the overseas segment) and the quality of our offering; in a high growth environment we continue to attract new customers and to "outperform" the market.

We continued our development strategy in line with our business model:

- *Strengthening of our sales teams and human resources in general (recruitment of a Group HR Director, a Group Legal Director…).*
- *Opening of 3 new offices: Chicago, Madrid and Strasbourg. Our integrated network now has 36 offices (including 22 overseas) on four continents.*
- *Launch of a dedicated "Food & Beverage" division.*
- *Continuation of the implementation of our IT tools over the whole network: 100% of our subsidiaries are now equipped with the same accounting, management and reporting tools. 80% of our operational offices are equipped with an in-house operational software, "Aeolus".*

It must be noted that the progression of the EBIT was penalised by a significant investment in human resources, in line with our goal to strengthen sales teams and the opening of 6 new offices in 18 months, these investments are the engines of growth and future results.

2007, a year of "dynamic consolidation", double digit growth:

- *The quality and specificity of our service (CLASQUIN is the only multinational SME in its segment of the market ;*
- *The growth generated by the new offices ;*
- *The recent recruitment of a Group Vice President / Sales and Marketing and the increased efficiency of our sales forces, which were integrated in 2005/2006 ;*
- *The commitment of our teams ;*
- *Lastly, the continuation of a remarkably dynamic global trade environment*

are the essential elements which should characterise 2007. ***In this context, we forecast double digit growth in both our activity and our earnings.***

We do not plan to open any new offices except for the creation of a subsidiary in Belgium and a commercial branch in India. We plan continued segmentation in sectors of high added value – bio-pharma-health, luxury, wines and spirits and perishables.

Lastly, we are actively seeking external growth projects in France and neighbouring countries.

I would like to end by thanking all of our customers for their loyalty and trust, our teams for their commitment and their enthusiasm and our shareholders for their active support in our development.

Yves Revol
Chairman

CLASQUIN: A UNIQUE POSITION IN ITS MARKET

Air and sea freight forwarding and overseas logistics

As a specialist in overseas air and sea freight forwarding and logistics, CLASQUIN oversees and organises its customer's cargo flows between France and the rest of the world and particularly to and from Asia Pacific and the United States.

CLASQUIN offers high value-added services in the global management of the supply chain, conceives and oversees transport solutions and custom made overseas logistics projects, selects and coordinates a network of quality sub-contractors and manages all of the documentary, regulatory, banking and customs aspects of its customers' merchandise. CLASQUIN thus acts as an international freight forwarder and customs broker.

With a presence on 4 continents, CLASQUIN employs 338 people including 157 in France, and has **an international network** of 36 operational offices organised around 15 subsidiaries, in 15 countries.

A specialist position

Purely dedicated to the air and sea freight forwarding business and the only multinational SME in the sector, CLASQUIN is a forerunner in Asia (first offices established in 1983) and the only French company of its size to have an integrated international network.



Stages of development

In 1983, as part of an MBO, Yves REVOL, then Sales Manager of CLASQUIN, bought the company. CLASQUIN only had one office in Lyon at the time. The company employed 15 people with sales of 1.5 million €.

- 1983/1990: 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 office in Paris (Roissy CDG) and nine commercial branches in the main hubs of Asia Pacific.
  In seven years, CLASQUIN became one of the leaders in air freight on the France/ASPAC route.

- 1991/1993: CLASQUIN began a second phase of its development. Activities were expanded to sea freight import and export. LOG SYSTEM, the Group IT subsidiary, designs and develops IT tools adapted to the business (operations control, traceability and real-time monitoring of merchandise, performance measures), which will be progressively implemented throughout the network.

- 1994/1999: CLASQUIN developed its international network by transforming its commercial branches into operational offices. It set up in the United States (through acquisition), in Italy and in Spain and now has a strong network in its own name. Group sales rose from 25.8 M€ in 1994 to 48.2 M€ in 1999.

- 2000/2003: CLASQUIN strengthened its information system and development platform. Several accounts management tools were implemented (reporting, clearing office…). During this period, the Group added high value custom made services to its commercial offer.

- 2004: The back office being perfectly organised, the Group concentrated on the front office by recruiting account managers and sales people in order to accelerate growth. CLASQUIN became a global player in Supply Chain Management in the overseas segment and in August 2004, the Banque de Vizille bought into Group capital.
  In 2004, CLASQUIN launched its 2008 Business Plan. The company was of sufficient scale to generate a dynamic ongoing growth and profitability.

Successful development

	1983	1990	2005	2006
Sales in M€	1.5	15	92	106
Employees	15	95	325	338
Network	Lyons	Lyons + Paris agencies in Asia + Australia	33 offices of which 21 overseas	36 offices of which 22 overseas
Information system	Local	National	Multinational	Multinational

Turnkey solutions dedicated to performance

Our business: overseas

CLASQUIN positions itself as the architect and main contractor for the entire transport and overseas logistics chain:

- It creates and organises air and sea freight forwarding solutions as well as pre and post carriage logistics solutions including warehousing and distribution.
- It selects and coordinates a network of quality sub-contractors.
- It is the unique intermediary for customers during the entire process.

CLASQUIN's offer is built around three basic principles:

- High-level operational teams with specialised professional skills (air and sea freight, local and international regulations, customs regulations, insurance, documentary credits, international regulations),
- Its own international network,
- An integrated IT system (complete file management from pick-up to delivery including invoicing, settlement and Group reporting).

A customized offer

CLASQUIN offers customized solutions adapted to the needs and specific demands of every customer, and to the various types of merchandise and geographical areas concerned.

The door-to-door optimisation of all operations of the freight and overseas logistics chain allows customers to gain productivity and improve their own customer service.

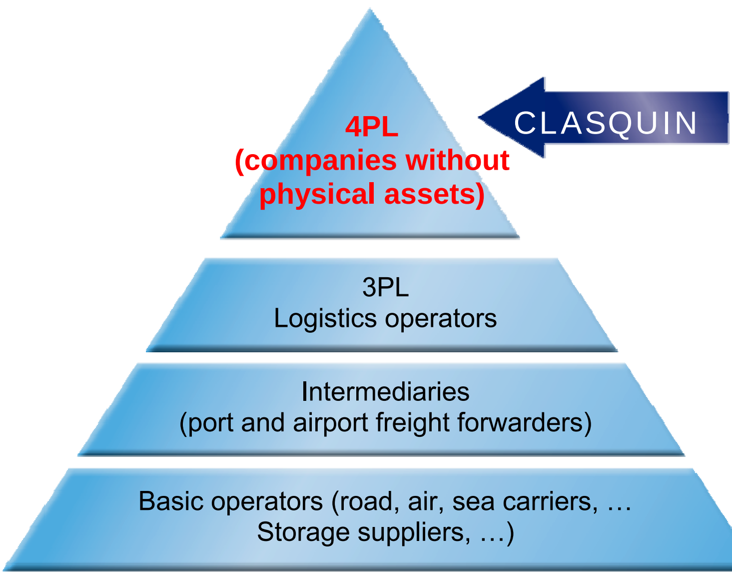
These solutions include:

⇨ **Integrating numerous fields of expertise:**
- expertise in air and sea freight, overseas logistics, management of documentary credits, insurance ...
- CUSTOMS expertise
- sector expertise

⇨ **An optimised process:**
- one intermediary for customers
- design and implementation of door-to-door international transportation flows
- selection of the best sub-contractors
- optimisation of costs and transit times
- real-time traceability

A high value-added business model

With no management constraints regarding transport means (unlike transporters), CLASQUIN uses its various expertise and know-how to implement efficient solutions that harmonise, streamline and secure its customers transactions, for whom international trade has become increasingly strategic and complex.



4PL: Fourth Party Logistics Provider
Source: Les Echos / Merrill Lynch

4PL's are companies free of constraints linked to physical means of transport or storage. They organise, manage, control and optimise flows of merchandise and the sub-contractors involved upstream and downstream in transport thus supplying high value-added services.

The keys to success

People, the Group's principal asset

The cornerstone of CLASQUIN culture, the management of human resources, is at the heart of the organisation enabling the creation of top level teams. CLASQUIN is very selective in recruiting, with a pronounced multi-cultural approach (90% of employees are bilingual and are graduates). **Management is stable and experienced** (30 % of executives have more than 10 years of service). **The operational and sales teams are international with a high level of technical knowledge** (international regulations, customs law, insurance law, banking law).

Thanks to its policy of stressing human values, CLASQUIN has proven its ability to recruit and retain talented staff.

A large part of the Group's success lies in the **strong motivation and involvement** of the teams (organised in autonomous profit centres). The acquisition of new skills is encouraged and in-house promotions are preferred: even though the average age is 30 years old, the average number of years of service is 8 years. Thus there is a **strong sense of belonging to the Group.**

A powerful, integrated international network

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

Positioned and specialised since 1983 in the "Europe/Asia-Pacific" routes then "Asia-Pacific/Europe", CLASQUIN took full advantage of the Asia-Pacific zone's economic boom in international exchanges thanks to a structured local network (16 offices) and complete knowledge of local markets, which represent strong competitive advantages.

CLASQUIN has been operating in the USA since 1993 where it now has 5 offices and in Canada since 2006 where a new subsidiary was opened in Montreal.

Present on 4 continents – Europe, Asia, America and Oceania - CLASQUIN has an international network of **36 operational offices, within 15 subsidiaries in 15 countries.**

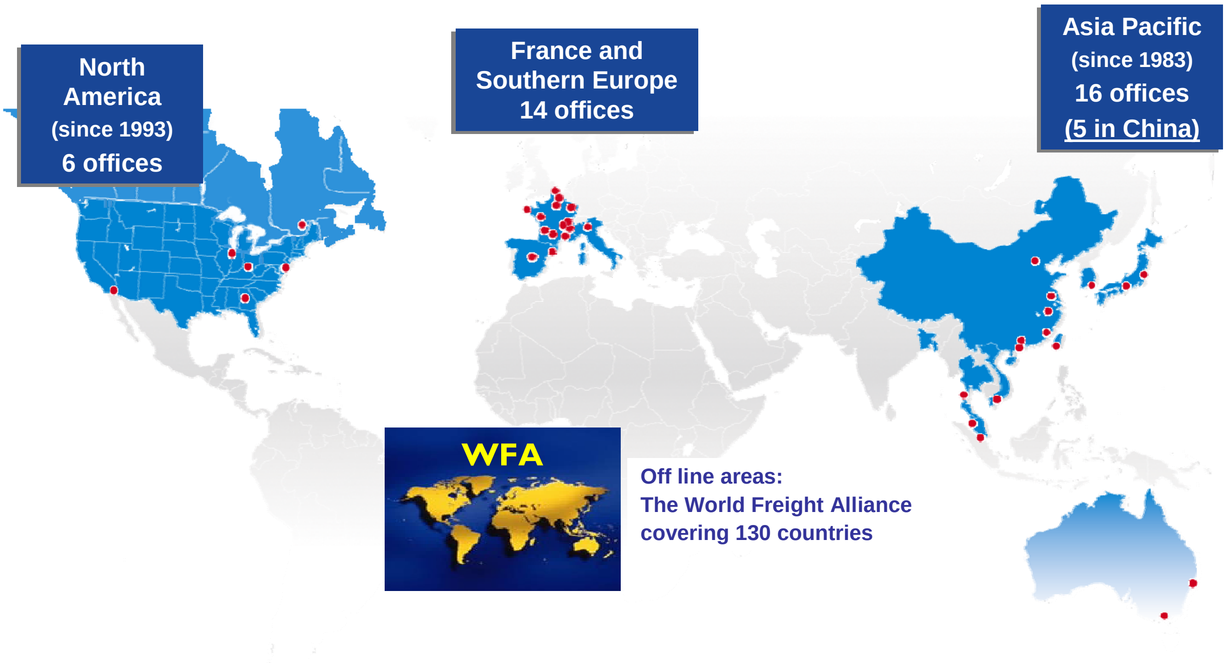
The CLASQUIN Group subsidiaries are familiar with local economic systems and have teams that fully understand the commercial practices, cultural habits and applicable local legislation. CLASQUIN offers the best solutions and sub-contractors to each operation, both in terms of quality and costs. The integrated network allows CLASQUIN to better monitor the flows, and provide its customers more personalized service.

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***

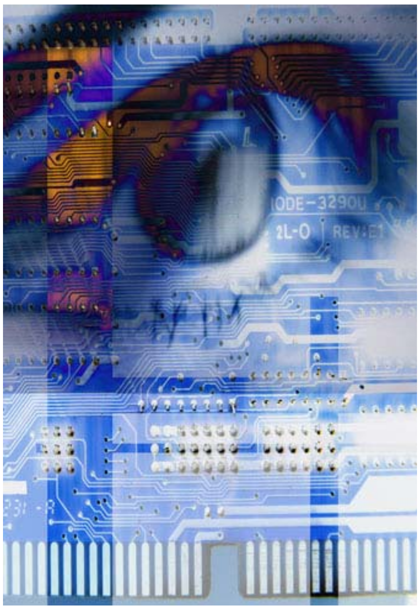
- **North American development as of 1993** (*New York, Atlanta, Cincinnati, Los Angeles, Chicago and Montreal)*

- **A tight proximity network in France and Southern Europe:**
  - **11 operational offices throughout France** *(Bordeaux, Grenoble, Le Havre, Lille, Lyon, Marseille, Nantes, Paris, Strasbourg, Toulouse, Tours)*
  - **3 local offices in Southern Europe** *(Barcelona, Madrid, Milan)*



Highly efficient IT tools

Considering the strategic aspect of mastering IT tools, CLASQUIN invested in the development of its internal information systems as early as 1990.
Today, CLASQUIN is the only company of its size and in this segment to benefit from such a high level of equipment and technological performance.



Through its subsidiary LOG SYSTEM, CLASQUIN has developed, over its entire network, dedicated systems to optimize its operations and improve real time customer information.

- « E-tracing » allows monitoring of shipments throughout the world no matter where the user is located, and receipt of updates on container, file and airway bill numbers, as well as vessels ETD and ETA.

- « Aeolus » is the integrated management system, developed by CLASQUIN, to follow-up and measure the operational efficiency. It offers real time information regarding the gross profit of the file throughout the entire process.

Each office has its own CLASQUIN IT tools and is linked to the central database, both for sales information and information concerning the management of the Group. Management is able to know, almost immediately, the commercial and financial performances of each profit centre (contract follow-up but also profit for each contract). Each office works in a network with the other Group offices.

The CLASQUIN IT system takes full advantage of past development investments and is today more than able to absorb future growth.

A portfolio of prestigious customers, the guarantee of our quality

CLASQUIN, a true creator of value for the companies it works with, has progressively broadened its scope of intervention thanks to a personalised service which addresses both international SMEs and major accounts. CLASQUIN works in many sectors: **consumer goods, fashion and luxury, industrial goods, pharmaceuticals and cosmetics, retailers, wines and spirits …Our client base includes:**

ABB, Carrefour Asia, Catimini, Chantelle, Damart, Danfoss, Gerflor, Hasbro, Haulotte, Hospices Civils de Lyon, Hyundai Elevator, Julbo, Kenzo, King Jouets, La Redoute, Le Tanneur, Mango, Marie Brizard, Michelin, Mitsubishi, Novelys, Promod, Quicksilver, Royal Canin, Salomon, Shisheido, Sisley, Samsung, Truffaut …

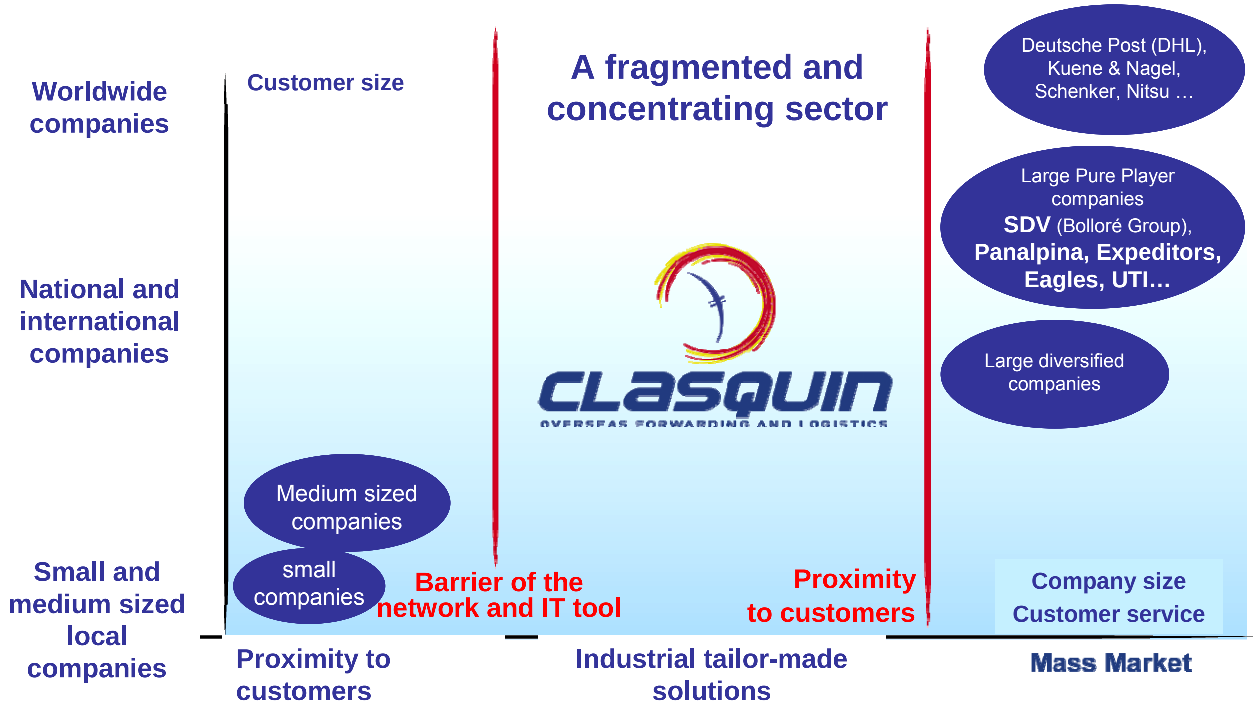
⇨ **The top 30 customers represent less than one third of sales**

CLASQUIN has earned the trust of prestigious customers, major players in their line of business, thanks to the quality and the very high added value of its offer.

The only multinational SME purely dedicated to air and sea freight forwarding

Positioned within a fragmented market, which is increasingly concentrated, CLASQUIN is the only multinational SME purely dedicated to air and sea freight forwarding. This unique position is strengthened by its position as forerunner in overseas logistics, by its international network and integrated IT tool, the lack of which creates substantial barriers to the entry for newcomers.

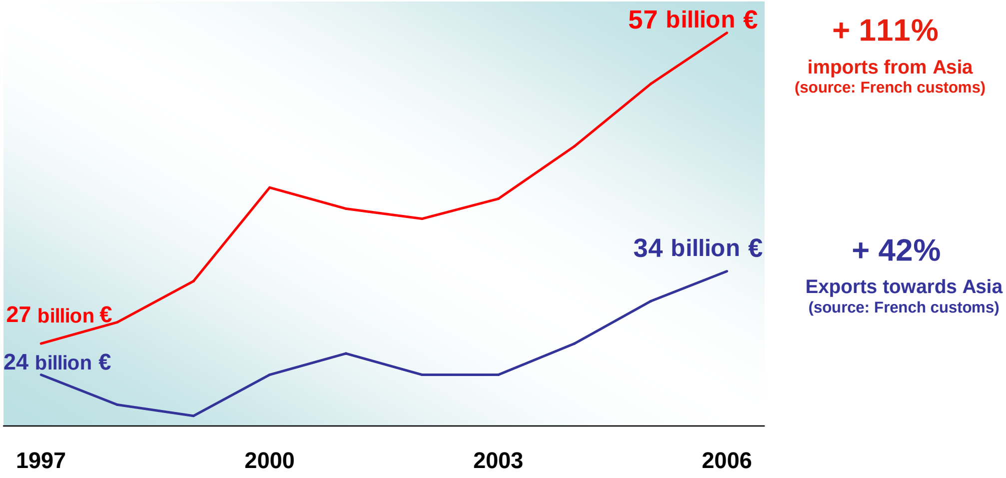
Given its dimension and organisation, CLASQUIN offers an industrial customized service to its customers, **with the best compromise between size, adaptability and reactivity.**



A rapidly growing market

Globalisation intensifies global economic exchanges and more particularly in Asia which is experiencing exponential growth. A phenomenon that benefits the air and sea freight forwarding industry which is recording high growth rates notably on the Asia-Europe, Asia-USA and inter-Asia routes.

Explosion of exchanges from Asia to France



The total amount of French imports progressed by +73% over the past ten years and has gone from €241 million in 1997 to €417 million in 2006.

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

The founder's strategic choice, in 1983, to develop in the Asia-Pacific zone strengthened CLASQUIN in its position as forerunner in overseas logistics. With international exchanges rising each year, it clearly appears that the most dynamic zone regarding international exchanges is, and will remain so for years to come, Asia with China as the true driver of growth.

The growth of world air freight is expected to rise by 6 % per year by 2020 (source OCDE).

Air freight within Asia is increasing by 8.5 % per year of which + 14 % is represented by China (source IATA).

The growth of sea freight is expected to rise by 8.5 % per year by 2020 (source OCDE).

The growth rate in the number of shipped sea freight containers is three times higher than the world GNP growth rate.

Development strategy

CLASQUIN's development strategy is based on a very favourable global situation and on two main strategies.

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

- The Group is of a size that accelerates growth: people and the organisation, the integrated international network as well as the efficient IT system form the basis of this growth.
- A unique positioning for a multinational SME in a very favourable competitive environment (giants versus very small companies).
- A rapidly growing market with prospects of very strong growth in Asia, CLASQUIN's preferred stamping ground.

CLASQUIN's strategy is focused on two priority areas:

1 – Continue the current growth strategy, according to the business model

- Pursue the enhancement of its services by recruiting new skills:
  - marketing : for sectors of high added value : luxury-fashion, bio-pharma-health, wines and spirits, perishable ...
  - technical : international chartering, specialised logistics ...

- Pursue the growth of its core business : the management of air and sea freight forwarding:
  - Pursue the increase of the sales forces
  - Pursue the extension and densification of the international network:
    - New commercial agencies to be closer to the customer and to win new markets: China, India
    - New operational offices in areas of potentially good business or in hub locations: Belgium

2 – Accelerate Group performances through acquisitions

- Objective: accelerate growth and generate economies of scale

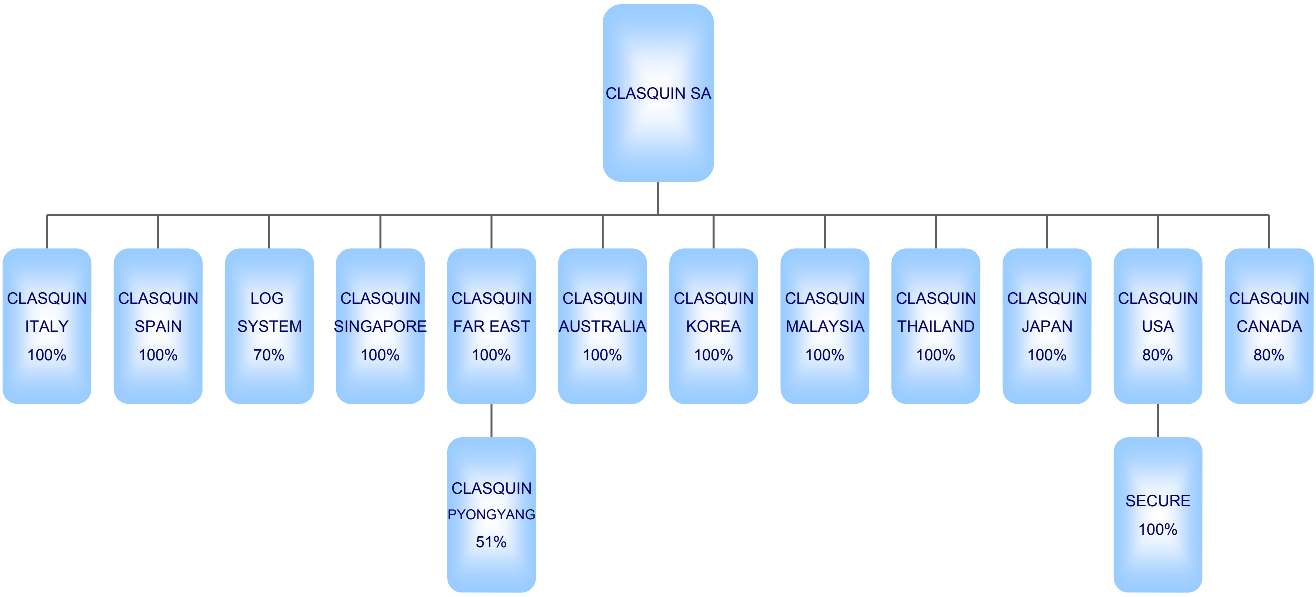
- Target : our core business

- Geographical localisation: France and neighbouring countries (Germany, Belgium, Switzerland ...)

ORGANISATION AND FUNCTIONING

Legal organisation

On December 31st 2006, the parent company directly controls all of the following companies:



Operational organisation

Board of Directors

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

The Board of Directors met 7 times during 2006. The average attendance rate of Directors (present or by proxy) during 2006 was 87.50 %.

During 2006, the Board of Directors appointed a new member. It now includes an independent administrator, in accordance with recommendations of the Financial Market Authority in matters of Corporate Governance. On December 31st 2006 the Board members included:

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

Management Committee

Yves REVOL – 59 – Chairman of the Board and CEO

« In a remarkably dynamic context of global exchanges, we continue to out perform the market »

With an 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.

Philippe LONS – 43 – Deputy General Manager and CFO

« We are consolidating our development and pursuing our target of double digit growth in both our sales and earnings »

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.

Didier VANDERPERRE – 44 – Chairman of CLASQUIN USA

« We now cover all of North America with the opening of our new subsidiary in Canada»

A graduate from the “Ecole Supérieure de l’Administration du Commerce et de l’Industrie”, Didier VANDERPERRE began his career in international transport as « Manager North America ». He joined CLASQUIN in 1993.

Laurent BOUFFANET – 39 – Managing Director of the Asia-Pacific zone

« Our presence in Asia-Pacific for the last 20 years strengthens our position as a major player in overseas exchanges in this zone »

After studying business law and graduating from EM Lyon (CESMA MBA), Laurent BOUFFANET has held various positions at CLASQUIN: head of a profit centre in Osaka, then Director of the Japanese subsidiary in Tokyo, then General Manager in France. Currently based in Singapore, he is in charge of the Asia-Pacific zone.

Philippe LE BIHAN - 51 – Manager of LOG SYSTEM, Subsidiary of CLASQUIN

«Multilingual, open-ended IT tools that are developed in-house, are perfectly adapted to absorb the Group's future growth »

After different positions of responsibility of operations in the sector, Philippe LE BIHAN participated in the creation of LOG SYSTEM, a subsidiary of CLASQUIN SA. Since 1991, he is the manager of LOG SYSTEM, which concentrates it activity on developing software for the transport industry.

David CANARD-VOLLAND – 39 – Group Manager IT & Process

« Each new office immediately benefits from all the Group's IT systems, to communicate on CLASQUIN's world network which enables the new office to be operational without delay »

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

Hugues MORIN - 38 – Managing Director

« Our objective is to pursue the extension and densification of our network to become closer to customers and win new markets »

After studying at the European Business School, he joined CLASQUIN AUSTRALIA where he held the positions of commercial attaché and Sales Manager. He then left Australia to move to Japan where he was appointed head of the profit centre in Osaka and then Managing Director of CLASQUIN JAPAN. After returning to France in 2002 he was Regional Director for the South of France and Italy and has recently been promoted to Managing Director France.

Xavier DELAHAYES – 39 – VP Sales & Marketing Group

« We have specialists in the varied sectors of activity of our customers, who are able to manage the needs and constraints of their products perfectly, which enables us to offer an adapted and customized service »

A graduate of both IUT Paris XII in transport and logistics engineering, then the Institut d'Etudes Politiques in Lyon – economy and finance sector -, his entire career has been spent working for an international transport and logistics group (he was head of overseas sales in Hong Kong, Rhône-Alpes sales manager then sales manager for Asia-Pacific for 8 years) before joining CLASQUIN in April 2007.

Patrick VIAU– 38 – Head of Group Human Resources

« Specialised selective recruitment and a strong culture of performance create teams that are highly motivated and involved in company growth »

With a DESS in Human Resource management from Lyon III, he has 15 years HR experience in an international and multicultural environment.
His career path led him to ALSTOM T&D for 7 years, then to GROSFILLEX for 5 years as head of HR, and more recently to IMAJE before joining CLASQUIN in October 2006.

SUSTAINABLE DEVELOPMENT

Company and employee policy

A strong corporate culture

Human Resources is one of the pillars of the Group's development, the HR policy is directed towards the development of skills, international mobility and the culture of performance.

Furthermore, CLASQUIN has set up a Human Resources Management Committee, the driving force behind this policy. It deals with remuneration policy, current or future recruitment.

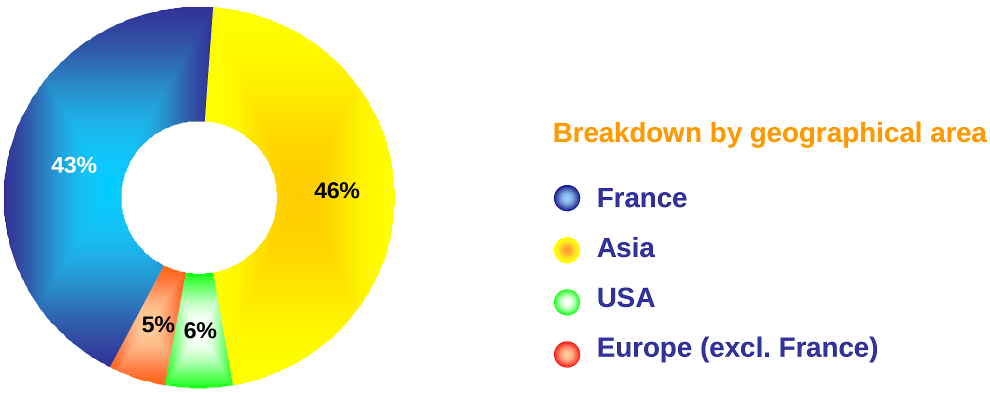
The Group Human Resource policy, by combining the interests of the company, the employees and the shareholders, has enabled the development of a strong corporate culture.

Professionalism, enthusiasm and integrity are the three founding values of CLASQUIN culture.

By personally adhering to these values each employee gives a strong image of quality to customers and to suppliers. Being committed to this culture, they participate in promoting the Group and amplifying its dynamic of development.

The expertise, skills and motivation of CLASQUIN's teams make up the first key factor of the Group's success.

A multicultural Group



The Group encourages geographical mobility and has developed an in-house multicultural policy by mixing different nationalities and cultures within its offices and subsidiaries. CLASQUIN attaches a lot of importance to the valorisation of each person's professional experiences by a strong policy of internal promotion.

An optimised recruitment policy

CLASQUIN currently has high level and stable human resources. More than 50% of employees are graduates and 80% are bilingual. Ten languages are spoken fluently.

The recruitment of each staff member is subject to a very selective process. Each application is thoroughly examined and great care is taken during interviews in order to validate the suitability of the applicant's skills and experience to the specificities of the position to be filled.

Beyond validating the suitability of the applicant with the position offered, the interview phase particularly aims at assessing the capacity of a future employee to integrate the Group and their adhesion to corporate culture.

For several years the priority at CLASQUIN has been to recruit high level employees (graduates and multilingual) who combine conception, management and control of international logistics solutions skills.

This highly selective approach to recruiting is unusual, given the size of the Group, and is one of the basic keys to the success of the company. It also adds to the image of quality that CLASQUIN portrays.

Top-level teams

To create and steer the customized industrial aspect of transport and overseas logistics, the Group uses high level human resources.

The Group always recognized the importance of having the best technical and qualified teams to carry out its customers projects successfully.

CLASQUIN has managed to attract, motivate, and keep high level staff that share and maintain the international culture developed by the Group (mobility, language skills, culturally mixed teams…).

The skills to be found at CLASQUIN are:

- Managers or heads of profit centres 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 quality/cost/performance service.

- Business executives, experts in air and sea freight forwarding as well as logistics, storage and distribution, at ease with international trade operational techniques and specialised in overseas practices.
  They deal with customers and suppliers on a daily basis.
  Their expertise is fundamental to company performance.

- Specialists in the different aspects of the back office (IT, administrative management, accounting and finance, law, human resources etc.)

  Acting as support to the front office, professionals in their business, they anticipate economic or functional changes and adapt to international constraints (time zones, languages spoken, and foreign exchange problems) as well as regulatory changes.

- Specific expertise: Customs.
  As a customs agent, CLASQUIN takes care of all administrative customs formalities concerning the import and export of goods. CLASQUIN SA has the authorisation to practice as the customs agents are tightly controlled by French legislation.

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

Training, the Group's dynamic incentive

CLASQUIN places great emphasis on the training of its staff.

All have spent between 2 and 5 years in higher education and speak at least 2 languages.

However, in order to ensure perfect cohesion of its teams, the Group has also set up an in-house training scheme composed of three parts:

- Training in business techniques;

- Training in IT tools developed by the Group, mainly on Aeolus, the Group operational software. This takes place in the Aeolus school, created specifically for that purpose and where two or three sessions are held each month ;

- Training in communication and management.

This is completed by training sessions organised over 3 or 4 days at the Summer Universities. These meetings are an opportunity for exchanges, getting to know each other and for learning about new cultures. This intermingling of cultures and people plays a part in each member's personal development and, indirectly, that of the Group.

An attractive remuneration and social protection policy

The objective of CLASQUIN's remuneration policy is to attract the most talented people, to keep and develop them. Another aim is to make the most of and give responsibility to, all employees in the culture of performance.

Participative and diversified, the remuneration policy is based on a global system made up of 4 complementary systems:

- **Fixed salary** consistent with market values;

- **Variable performance based salary** calculated on the economic results of each profit centre through an incentive program;

In addition, the employees of companies incorporated in France benefit from two complementary programs:

- **A Group saving program** through which each employee can invest in the mutual fund Clasquin Performances or in one of the 4 multi-firm funds available ;

- **Employee share ownership**: CLASQUIN being listed on the stock market, the employees have the possibility to invest in CLASQUIN shares each quarter, with a company contribution of 30 %.

  Upon the Company's introduction on Alternext, 70 % of the employees residing in France showed their strong commitment to CLASQUIN by subscribing to the employee share ownership scheme.

The Company is currently thinking about setting up a share ownership scheme for the employees of the companies of the Group located abroad.

Personal development and staff loyalty

CLASQUIN Group attaches enormous importance to economic performance without forgetting its employees' personal development.

In this context, the policy of performance based salary was set up for all employees, whose essential component is the result of the profit centre, and it is one of the pillars of the development of culture and performance.
This approach enables all staff to focus on the improvement of economic performance of the profit center they belong to.

Personal development is also strengthened by the autonomy given to each profit centre, which provides the manager and his team more responsibility and can be seen in the strong commitment and permanent search for better performance.

In return for this entrepreneurial policy an efficient monitoring tool is used enabling closer monitoring of the performance indicators of each unit.

In-house communication

CLASQUIN has set up, beyond the legal employee representative bodies, a communication system where each person has the opportunity of being informed of any news concerning the Company and the evolution of different projects but equally to express an opinion on the running of their profit centre and/or CLASQUIN strategy.

In France, monthly activity meetings (MAM) take place in each profit centre in order to discuss the activity of the office and/or the Company.

Monthly meetings in France (MMF) are aimed at gathering all the heads of profit centres together in order to ensure the coordination of the commercial policy but equally to discuss any news linked to the financial activity, IT development or human resources management.

The World Management Committee Meeting (WMCM) is organised three times a year and allows key people from every continent to meet and discuss Company policy and strategy concerning commercial development, human resources, and IT issues but also to inform them of results and the follow up of the main economic indicators.

"Summer University" (S.U), takes place every two years, and is a way of gathering a larger panel of people while maintaining the objective of exchanging and sharing the main Company projects but also to experience the culture of performance in a festive and pleasant atmosphere.

Lastly, beyond the twice monthly Management Committee Meeting (MCM), each project manager has the possibility of organising, as the need arises, the follow up of its activity through the different work groups created for that purpose.

Customers and suppliers

Customer relations are our core concern

In 2006, CLASQUIN continued its Excellence Plan for Operation (EPO) launched in 2005, whose objective is to strengthen the quality of its operations, by relying on a "Customer Relationship Management" (CRM) approach.

This approach must help provide a better response to the specific requirements of each customer and to personalise even further the services offered. It also aims to reinforce the existing customer loyalty and bring new customers by offering them completely customized solutions.

Lasting partnership with suppliers

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

This wide panel not only allows the Company to use sub-contractors with the most specialised skills but also to find the provider best-suited to the specific nature of the transport and to always negotiate the best prices, for the benefit of customers.

The Group thus possesses a wide range of know-how to respond to the customers' requirements.

Environmental policy

Given its position of a fourth party logistics provider (4 PL) (a company with no physical assets, i.e. without lorries, planes or ships); the Company is not confronted directly with environmental constraints.

However, an in-house discussion is under way concerning the adoption of measures linked to the concept of eco-efficiency.

The Group is very aware of environmental problems and tries to promote the least polluting means of transport.

Promotion of river and rail services

Firm action is lead by the sales force among customers of the Group, both exporters and importers, to promote the pre- and post-carriage by river or rail as a substitute for road transport.

More than just the respect for the environment through the choice of a non polluting means of transport, this method offers a considerable economic advantage.

Due to its strategic position, the Lyons St Exupéry office was a pioneer in this field. The promotion carried out to its customers is beginning to bear fruit. Today, out of all haulage organised by the office, 10% is carried out by rail and 8% by river. The customers favourable answer leads us to believe that rail transport should increase over the next few years.

The Roissy office started to use river transport in 2006.

The Group belongs to the Lyon Port Community, ad is one of the association founding members. The objective of this association is twofold: to promote pre-customs clearance aboard the barge, based on the agreement signed by its members, and to ensure a lobbying activity with the public authorities to obtain the corresponding implementing decrees.

Another point in favour of sustainable development, the use of feeder services is developing and three out of the eleven CLASQUIN offices in France use this system.

Selective waste sorting

The Group has set up selective waste sorting practices among its subcontractors. Thus wooden pallets are sorted and separated from other waste (wrapping materials, boxes, etc.).

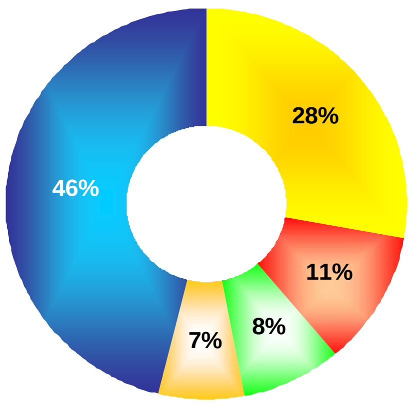
In-house, in the offices, a sorting policy has been set up to separate recyclable elements (paper, cardboard etc.) from un-recyclable elements.

SHAREHOLDERS AND INVESTORS

Stock market facts

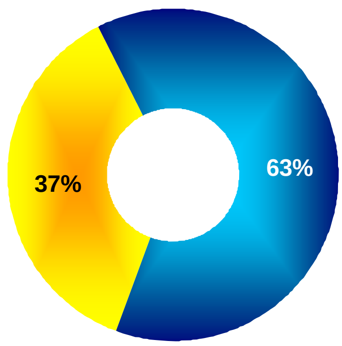
IPO date	January 31st 2006
IPO price	15.50 €
ISIN code	FR0004152882
Bloomberg code	ALCLA FP
Reuters code	ALCLA PA
ICB Classification	2000 Industries – 2770 Industrial transport
Market	Alternext
Quotation	Continuous
Capital on December 31st 2006	4,459,862 € divided into 2,229,931 shares with a nominal value of 2.00 €
Price on December 31st 2006	18.30 €
Highest price in 2006	19.70 €
Lowest price in 2006	16.12 €
Average daily volume in 2006	3,684 shares exchanged
Market capitalisation on December 31st 2006	40.8 M€
Float on December 31st 2006	28 %

Shareholding



CLASQUIN shareholders
(on 31.12.2006)

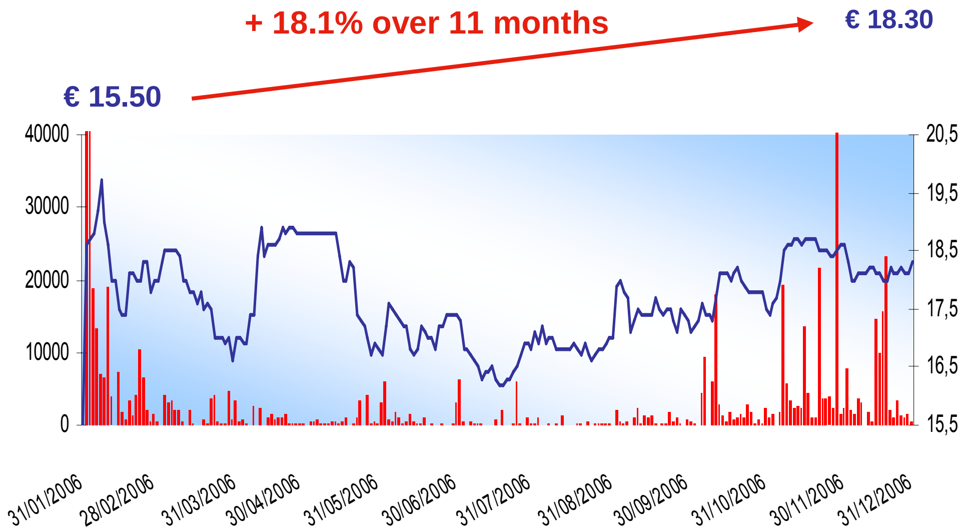
- Yves REVOL (dir. or indir.)
- Float
- Banque de Vizille
- Employees
- Other



Free float analysis
(on 20.03.2007)

- Institutional investors
- Private people

Evolution of rate and volumes exchanged



Dividend policy

Subject to the financing of investments required for the development of the Group, the Company intends to distribute annually at least 20% of its consolidated net profit Group share. At the Annual General Meeting of June 12th 2007 the proposal to pay a dividend of 0.28€ per share will be made, i.e. 25 % of 2006 results.

Listing sponsor

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

Liquidity provision agreement

A liquidity provision agreement was concluded between CLASQUIN and the brokker Oddo Corporate Finance on March 16th 2006 until December 31st 2006. At this date the contract was renewed by tacit renewal for a period of one year. The contract is in accordance with the code of ethics of the French association of investment firms (AFEI).

Financial analysis

Three financial analysts wrote about CLASQUIN stock during 2006. They were:

- ODDO MIDCAP – in charge of the study: Pierre BLOUIN
- FORTIS - in charge of the study: Claire DERAY
- GILBERT DUPONT : in charge of the study : Annie BONAL

These analyses are available on the Company's website www.clasquin.com, under the heading "Investors information" under the tab "documentation" then under the heading "downloadable documents".

Sources of information and documentation

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

Agenda 2007

Date	Event
May 15th	Sales and gross profit on March 31st
June 12th	Annual General Meeting
September 3rd	Sales and gross profit on June 30th
October 2nd	Half-year results
November 15th	Sales and gross profit on September 30th

In charge of information

- **Yves REVOL,** Chairman and CEO
- **Philippe LONS,** Deputy General Manager and Group CFO
- **Sylvie CARLIER,** Financial Communication Manager
  - Tel : 00 33 (0)4 72 83 17 00
  - Email : finance@clasquin.com

Shareholders and Investors

CONSOLIDATED FINANCIAL STATEMENTS

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All of the amounts are expressed in euros

A. Consolidated balance sheet

1. Consolidated balance sheet assets

ASSETS (in €)		At 31/12/2006			At 31/12/2005
	Note	Gross	Dep.	Net	Net
INTANGIBLE FIXED ASSETS	3.3.2				
Start-up costs		20,116	19,876	240	1,562
Goodwill		344,969	212,697	132,272	160,103
Software		4,431,693	3,253,833	1,177,860	1,117,701
Other intangible assets		20,935	3,279	17,656	21,538
Total intangible fixed assets	5.1	**4,817,713**	**3,489,685**	**1,328,028**	**1,300,904**
TANGIBLE FIXED ASSETS	3.3.3				
Buildings		3,604	1,482	2,122	2,418
Fixtures and fittings		713,570	388,819	324,751	306,942
Other property, plant & equipment		2,326,866	1,558,831	768,035	681,754
Total tangible fixed assets	5.2	**3,044,040**	**1,949,132**	**1,094,908**	**991,114**
FINANCIAL ASSETS	3.3.5				
Shares in non-consolidated companies	2.3	55,563	38,318	17,245	19,705
Deposits and guarantees		337,935	929	337,006	308,674
Other financial assets		10,846	—	10,846	49,198
Total financial assets	5.3	**404,344**	**39,247**	**365,097**	**377,577**
TOTAL FIXED ASSETS		8,266,097	5,478,064	2,788,033	2,669,595
STOCK AND AMOUNTS OUTSTANDING					
RECEIVABLES					
Trade and accounts receivables	5.4.2	30,271,758	467,610	29,804,148	11,793,183
Loans to non-consolidated companies		5,818	5,818	—	—
Deferred tax assets	5.8	47,884	—	47,884	20,758
Other receivables	5.4.2	2,567,175	—	2,567,175	4,302,115
Total receivables	5.4 & 5.5	**32,892,635**	**473,428**	**32,419,207**	**16,116,056**
INVESTMENT SECURITIES					
CASH					
Bank accounts and cash	3.3.8	5,560,117	—	5,560,117	2,781,017
Available from factoring	5.4.2	—	—	—	10,213,713
Total cash		**5,560,117**	—	**5,560,117**	**12,994,730**
PREPAID EXPENSES	5.4.1	**843,615**	—	**843,615**	**1,046,204**
TOTAL CURRENT ASSETS		39,296,367	473,428	38,822,939	30,156,990
TOTAL ASSETS		47,562,464	5,951,492	41,610,972	32,826,585

2. *Consolidated balance sheet - liabilities and equity*

LIABILITIES AND EQUITY (in €)	Note	At 31/12/2006	At 31/12/2005
Share capital	5.6.1	4,459,862	3,800,000
Issue premium		3,799,429	—
Consolidated reserves		240,297	-1,112,554
Year-end profit		2,541,214	2,089,996
Conversion adjustments		-57,129	48,162
TOTAL SHAREHOLDERS' EQUITY		**10,983,673**	**4,825,604**
MINORITY INTERESTS			
On reserves		146,030	129,163
On profit		17,536	23,384
TOTAL MINORITY INTERESTS		**163,566**	**152,547**
PROVISIONS FOR LIABILITES AND CHARGES	5.7	**660,768**	**547,905**
CONVERTIBLE BOND LOANS	5.9.1	**500,000**	**500,000**
LOANS AND FINANCIAL DEBTS			
Loans from banks		984,998	666,940
Lease loans	3.3.4	1,014,243	977,050
Bank overdrafts		943,355	1,703,689
Associate current accounts		444,830	—
Total loans and financial debts	5.9.1 - 5.9.4	**3,387,426**	**3,347,679**
DEBTS			
Suppliers and related accounts		22,386,448	20,421,853
Tax and social liabilities		2,971,447	2,363,109
Other debts		352,525	564,123
Total debts	5.9.5	**25,710,420**	**23,349,085**
PREPAID INCOME	5.9.5	**205,119**	**103,765**
TOTAL LIABILITIES PAYABLE		**29,802,965**	**27,300,529**
TOTAL LIABILITIES AND EQUITY		**41,610,972**	**32,826,585**

B. Consolidated income statement

INCOME STATEMENT (in €)	Note	At 1/12/2006	At 31/12/2005
OPERATING INCOME			
Sales	6.3	106,172,123	92,333,643
Provision reversals and transfers of charges		280,161	144,200
Other income		599,431	47,462
Total operating income		107,051,715	92,525,305
OPERATING EXPENSES			
Other purchases and external charges		87,516,956	76,342,400
Taxes and duties		514,312	386,034
Salaries and wages (including incentive program)	5.16.4		
Social contributions		10,957,214	8,993,992
Depreciation		2,890,590	2,269,073
Provisions		976,275	957,251
Other expenses		460,660	151,559
Total operating expenses		261,704	94,020
		103,577,711	89,194,329
OPERATING INCOME	6.5.1	3,474,004	3,330,976
Financial income		978,423	777,035
Financial expenses		949,303	1,137,948
FINANCIAL PROFIT/LOSS	5.13	29,120	-360,913
ORDINARY PROFIT OF CONSOLIDATED COMPANIES		3,503,124	2,970,063
Extraordinary income		129,040	228,505
Extraordinary expenses		214,131	466,843
EXTRAORDINARY PROFIT/LOSS	5.14	-85,091	-238,338
Income tax	5.15	831,452	589,548
NET PROFIT OF CONSOLIDATED COMPANIES		2,586,581	2,142,177
Amortization of goodwill	5.1.2	27,831	28,797
CONSOLIDATED NET PROFIT		2,558,750	2,113,380
Minority interests		17,536	23,384
NET PROFIT (GROUP SHARE)		2,541,214	2,089,996

NET EARNINGS PER SHARE	3.3.15	1.16	0.62
DILUTED EARNINGS PER SHARE	3.3.15	1.11	0.59

C. Cash flow statement

1. Statement

CASH FLOW (in € thousand)	Note	At 31/12/06 Factor adjusted	At 31/12/05 Factor adjusted	At 31/12/06	At 31/12/05
NET PROFIT (GROUP SHARE)		2,541	2,090	2,541	2,090
Elimination of expenses and income not impacting cash flow or not linked to the activity :					
Depreciation and provisions		1,129	982	1,129	982
Income on disposal of fixed assets		-112	15	-112	15
Minority share of net profit		18	23	18	23
Taxes		251	237	251	237
Other non-cash charges and income		-183	-67	-183	-67
CASH FLOW OF CONSOLIDATED COMPANIES (A)	C.2	3,644	3,280	3,644	3,280
WCR variation linked to activity :					
Trade and accounts receivables		-18,011	-4,607	-18,011	-4,607
Other receivables		1,937	-1,119	1,937	-1,119
Cancellation of factoring		12,885	-3,704	—	—
Suppliers and related accounts		1,965	4,548	1,965	4,548
Other debts		498	1,046	498	1,046
Foreign exchange difference on WCR	C.5	86	140	86	140
CASH FLOW FROM WCR (B)	C.2	-640	-3,696	-13,525	8
CASH FLOW FROM OPERATING ACTIVITIES (A) + (B) = (C)		3,004	-416	-9,881	3,288
Non-consolidated company loans - Assets		—	6	—	6
Non-consolidated company loans - Liabilities		—	—	—	—
Acquisitions of intangible assets	5.1.1	-578	-432	-578	-432
Acquisitions of tangible assets	5.2.1	-581	-669	-581	-669
Acquisitions of financial assets	5.3.1	-60	-92	-60	-92
Disposals of tangible assets		10	1	10	1
Disposals of financial assets	5.3.1	40	20	40	20
Change in scope of consolidation	C.3	6	-35	6	-35
CASH FLOW ALLOCATED TO INVESTMENTS (D)	C.4	-1,163	-1,201	-1,163	-1,201
Capital increase	1.3	5,015	—	5,015	—
IPO gross expenses (charged against issue premium)	D	-833	—	-833	—
Bond debt		—	—	—	—
Associate current accounts	5.9.1	445	—	445	—
New bank loans	5.9.1	600	—	600	—
New leases	5.9.1	399	706	399	706
Repayment of bank loans	5.9.1	-280	-421	-280	-421
Repayment of leases	5.9.1	-362	-186	-362	-186
Dividends paid outside the Group		-518	-232	-518	-232
CASH FLOW FROM FINANCING (E)		4,466	-133	4,466	-133
TOTAL CHANGE IN CASH FLOW (C) + (D) + (E)		6,307	-1,750	-6,578	1,954
Cash flow at end of period		4,617	-1,594	4,617	11,291
Cash flow at beginning of period		-1,594	67	11,291	9,248
Impact of exchange rate fluctuations		96	-89	96	-89
CHANGE IN CASH FLOW		6,307	-1,750	-6,578	1,954

2. Detailed notes on calculation of cash flow and WCR

CASH FLOW CALCULATION DETAILS AT 31/12/2006 (in € thousand)	Note	+	-
Net profit (group share)		**2,541**	
Allocation (+) and reversal (-) of depreciation and amortization of goodwill	5.1.2	28	—
Allocation (+) and reversal (-) of dep. and amort. of intangible and tangible assets	5.1.2 & 5.2.2	976	—
Allocation (+) and reversal (-) of dep. and amort. of financial assets	5.3.2	10	2
Allocation (+) and reversal (-) of provision for contingencies & operating costs	5.7	238	160
Allocation (+) and reversal (-) of provision for contingencies & financial costs	5.7	20	—
Allocation (+) and reversal (-) of provision for contingencies & extraordinary costs	5.7	19	—
		1,291	162
Depreciation and provisions *(1)*		1,129	
Income on disposal of current assets		—	10
Income from deconsolidation of CLASQUIN TAIWAN *(2)*		—	102
		0	112
Income on disposal of fixed assets		—	112
Minority share of net profit		18	
Change in deferred tax	5.8	—	27
Impact of tax linked to IPO expenses charged against the issue premium	D	278	—
Taxes		278	27
		251	
Other non-cash income and charges (unrealised foreign exchange gains/losses)		—	183
CASH FLOW		3,644	

(1) There may be differences between the depreciation and provisions in the cash flow versus the changes in balance sheet items that are referred to in the Notes column. This is because the items in the income statement are presented at average exchange rates while the items in the balance sheet are presented at the year-end rate.

(2) For the entry:

Sale price:	€ 0
Shareholders' equity (negative) at 31/12/2005:	(€ 102,000)
Net value of goodwill:	€ 0
Income on sale:	(€ 102,000)

DETAILS OF THE WCR VARIATION AT 31/12/2006 (in € thousand)	Note	At 31/12/06	At 31/12/05	Change
Trade and accounts receivables (net)	5.4.1	29,804	11,793	-18,011
Other receivables	5.4.1	2,567	4,302	1,735
Prepaid expenses	5.4.1	844	1,046	202
Total		3,411	5,348	1,937
Suppliers and related accounts	5.9.5	-22,387	-20,422	1,965
Tax and social liabilities	5.9.5	-2,971	-2,363	608
Other debts	5.9.5	-353	-564	-211
Prepaid income	5.9.5	-205	-104	101
Total		-3,529	-3,031	498
Foreign exchange rate difference on WCR	C.5	-226	-140	86
WORKING CAPITAL REQUIREMENT		7,073	-6,452	-13,525

3. *Changes in the scope of consolidation*

The changes in the scope of consolidation for 2006 are as follows:

- On October 3rd 2006, CLASQUIN TAIWAN was closed down. This company was 80% owned by CLASQUIN FAR EAST.
  The net cash flow allocated to this closure can be analysed as follows:

Amount collected by the Group on closure	€ 0
Reduced by CLASQUIN TAIWAN cash on closure	(€ 3,000)
Impact of CLASQUIN TAIWAN closure on the Group cash-flow	(€ 3,000)

- On October 6th 2006, CLASQUIN CANADA was created, with share capital of 50,000 CAD, a subsidiary owned (80%) by CLASQUIN SA.
  The net cash flow allocated to this acquisition can be analysed as follows:

Cash flow of CLASQUIN CANADA when set up, corresponding to the payment of its capital valued at an average exchange rate	€ 35,000
Reduced by the amount paid by the Group for the acquisition of 80% of shares	(€ 26,000)
Impact of the acquisition of CLASQUIN CANADA on the Group cash flow	€ 9,000

4. *Exchange rate differences on investments*

There may be differences between the acquisitions and sales of assets in the cash flow allocated to investments versus the changes in balance sheet items that are referred to in the Notes column. This is because the variations are presented at average exchange rates while the balance sheet items are presented at the year-end rate.

5. *Exchange rates differences on WCR*

The differences for the various items in each cash flow statement are determined at average exchange rates, except for items relating to the WCR, which are calculated at year-end rates (to be in line with consolidated balance sheet items) ; the difference is allocated to the whole cycle.

D. Change in shareholders' equity – group share – and minority interests

CHANGE IN SHAREHOLDERS' EQUITY (in € thousand)	Group share	Minority shareholders	Total
Consolidated shareholders' equity at December 31st 2004	**2,695**	**118**	**2,813**
2005 net profit	2,090	23	2,113
Conversion adjustments	273	11	284
Other variations (dividends paid)	-232	—	-232
Consolidated shareholders' equity at December 31st 2005	**4,826**	**152**	**4,978**
2006 net profit	2,541	18	2,559
Capital increase	5,015	—	5,015
Conversion adjustments	-331	-7	-338
Change in scope of consolidation *(1)*	6	—	6
Other variations *(2)*	–1,073	—	-1,073
Consolidated shareholders' equity at December 31st 2006	**10,984**	**163**	**11,147**

(1) The difference between the amount of the share capital of CLASQUIN CANADA and the value of the shares purchased by CLASQUIN SA:

Capital of 50,000 CAD valued at the year-end rate	€ 32,000
Reduced by the amount of the shares purchased by the Group	(€ 6,000)
Change in consolidation scope	€ 6,000

(2) These other variations are comprised of the following elements:

Dividends paid outside the Group:	€ -518,000
Allocation of IPO costs deducted from the issue premium:	
gross amount	€ -833,000
income tax	€ 278,000
net amount	€ -555,000
Total	€ -1,073,000

E. Notes to 2006 consolidated financial statements

1. Key events

1.1 Creation and closure of subsidiaries abroad

- On October 3rd 2006, the closure of CLASQUIN TAIWAN. Activity was no longer carried out by this company, with the existing business having been taken over by CLASQUIN FAR EAST. For this reason, no pro forma accounts were drawn up at 31/12/2005, without this company.
  The impact of CLASQUIN TAIWAN on the Group accounts at December 31st 2006 is a loss of € 10,000 (cf § 5.14 "Extraordinary loss").
  There are no outstanding off-balance sheet liabilities linked to this closure.

- On October 6th 2006, the creation of CLASQUIN CANADA, a 80% owned subsidiary of CLASQUIN SA. The minority shareholder is the director of the subsidiary.
  CLASQUIN SA made a € 26,000 investment in capital.
  The impact of the opening of CLASQUIN CANADA on the Group accounts at December 31st 2006 is a loss of € 43,000 which corresponds to the start-up costs, plus operations only commenced at the beginning of 2007.

1.2 Opening of offices abroad and in France

- On March 1st 2006, the opening of a new office in Chicago as part of CLASQUIN USA.
- On May 1st 2006, the opening of a new office in Strasbourg as part of CLASQUIN SA.
- On June 5th 2006, the opening of a new office in Madrid as part of CLASQUIN SPAIN.

1.3 Initial Public Offering

The company launched an IPO on January 31st 2006 on the Alternext market of Euronext Paris. 528,207 shares were placed on the market, of which 329,931 were new shares (298,000 to the public and 31,931 to employees), which increased the number of shares from 1,900,000 to 2,229,931 shares at € 2.00 each.

The total gross income from the capital increase was € 5,014,944.

This transaction was divided between the public and employees as follows:

- Public offer:

The number of shares placed on the market was 496,276. The share price was fixed at € 15.50 and the gross income from the sale was € 7,692,278.
The gross income from the capital increase was € 4,619,000.
The gross income from the sales of shares carried out by shareholders was € 3,073,278.

- Employees:

Employees of CLASQUIN SA subscribed to 31,931 shares during the IPO, through the Company's mutual fund "Clasquin Performances".
The share price was set at € 12.40 (after a 20% tax allowance). The income from the capital increase reserved for employees was € 395,944.

Following these two transactions, the company's capital increased from € 3,800,000 to € 4,459,862.

2. Business activity and list of consolidated companies

2.1 Activity

Group operations are focused on 2 main areas:

- Activity 1: air freight forwarding and related services.
- Activity 2: sea freight forwarding and related services.
- Other services outside these areas (including related services) are fairly limited and are thus not listed in the business line breakdown.

These business lines have been used in the context of sector presented in § 6.3.2 "Sales breakdown by business line".

2.2 List of consolidated companies

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

ASIA – PACIFIC - USA			
Name of company	% control	% interest	Consolidation method
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 USA	80 %	80 %	FC
CLASQUIN CANADA	80 %	80 %	FC
SECURE USA	80 %	80 %	FC

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

(1) LOG SYSTEM is an IT service provider which develops software, either for the Group, or for third party customers.

2.3 Companies excluded from the scope of consolidation

The following companies have not been consolidated in the accounts (cf § 5.3.1 "Financial assets"):

- CLASQUIN PYONGYANG: non-consolidated due to the very low levels of business activity.

- CLASQUIN NETHERLANDS: the company was liquidated in 2000. The securities have been fully provisioned and, are maintained in the assets pending the decision from the Dutch commercial court. Provisions have been made for the contingencies associated with the closure of this subsidiary (cf § 5.7 "Provisions for liabilities").

- SCI RF: relates shares of a property investment company for parking space in a public lot at Roissy.

3. Financial reporting framework, consolidation procedure, valuation methods and rules

3.1 Financial reporting framework

The consolidated accounts of CLASQUIN Group were drawn up in compliance with the accounting rules and principles in force in France. The provisions of regulation No. 99.02 of the French Accounting Regulation, approved on June 22nd 1999, have been implemented since January 1st 2000.

3.2 Consolidation methods

3.2.1 Consolidation methods

The consolidation is based on the accounts for the year ended December 31st 2006. All the main subsidiaries in which the Group has exclusive control, directly or indirectly, are consolidated according to the full consolidation method.

Therefore no company is consolidated according to the proportional consolidation or equity method. Some subsidiaries that meet the aforementioned criteria cannot be consolidated due to their limited impact (cf § 2.3 "Companies excluded from the scope of consolidation").

Full consolidation consists of:
- Incorporating the items from the consolidated companies' accounts into the accounts of the consolidating company, after any readjustments ;
- Distributing the shareholders' equity and the profit between the consolidating company's interests and the interests of other shareholders or associates referred to as "minority interests";
- Eliminating the account transactions between the fully integrated consolidated company and the other consolidated companies.

3.2.2 Conversion methods of foreign company accounts

Subsidiaries of CLASQUIN SA are independent foreign companies; their accounts were converted according to the current rate method:
- Balance sheet items are converted to Euros at the current rate of exchange on the closing date;
- Income statement items are converted to Euros at the financial year's average rate;
- The foreign exchange rate difference is included in consolidated shareholders' equity under "Conversion adjustments" and does not affect the result.

The conversion rates used are as follows :

CURRENCY	Average rate 2006	Average rate 2005	Rate at 31/12/06	Rate at 31/12/05
JPY	146.00	136.78	157.10	139.27
SGD	1.99	2.07	2.02	1.97
HKD	9.75	9.66	10.25	9.21
AUD	1.66	1.63	1.67	1.61
KRW	1,205.88	1,278.08	1,209.67	1,219.51
THB	47.60	50.12	47.03	48.63
MYR	4.60	4.71	4.65	4.48
USD	1.25	1.24	1.31	1.18
CAD	1.42		1.53	

3.2.3 Elimination of intra-group transactions

In accordance with regulations, transactions between consolidated companies as well as profits between these companies generated internally were removed from the consolidated accounts.

3.2.4 Goodwill

In accordance with regulations, goodwill represents the difference between:

- The acquisition costs of equity investments;
- The purchasing company's share in the total valuation of assets and liabilities identified on the acquisition date.

Positive goodwill is recorded in fixed assets and amortized for a period that reflects, as fairly as possible, the assumptions retained and the objectives set at the time of acquisition: the maximum period is estimated to be 10 years.

Negative goodwill is recorded in the provisions for liabilities and charges and is subject to reversals over a period assessed in the same way as positive goodwill, i.e. for a maximum of 10 years.

3.2.5 Year-end closing date for consolidated companies

The companies are consolidated on the basis of their annual accounts ending December 31st 2006.

3.3 Valuation methods and rules

The principles and methods implemented by CLASQUIN Group are the following:

3.3.1 Implementation of preferential methods

The implementation of the preferential methods of Regulation CRC 99-02 is as follows:

IMPLEMENTATION OF PREFERENTIAL METHODS	Yes – No – N/A	Note
▪ Accounting for lease financing agreements	Yes	3.3.4
▪ Provisions for pensions and related benefits	No	3.3.12
▪ Allocation of issue charges and bond loan repayment premiums over the length of the loan	N/A	
▪ Accounting for foreign exchange rate differences in assets/liabilities	Yes	3.3.6
▪ Accrual accounting for partially completed transactions at year-end	N/A	

3.3.2 Intangible fixed assets

Intangible fixed assets are valued at their acquisition or production value.

Amortization period for intangible assets

The methods and amortization periods are as follows:

- software developed in-house is subject to straight-line amortization of between 4 and 8 years ;
- other software is amortized for 1-6 years according to the planned period of use.

3.3.3 Tangible fixed assets

Tangible fixed assets appear on the balance sheet at their acquisition cost (purchase price and associated expenses).

The Group implements regulations 2002-10 on the amortization and depreciation of assets as well as regulation 2004-06 on the definition, accounting treatment and valuation of assets.

Depreciation is calculated according to the straight-line method based on the planned period of use.

The main depreciation methods and periods of use are the following:

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

3.3.4 Lease financing agreements

Transactions involving a lease financing agreement are adjusted using an identical method to that of a credit purchase for their original value in the contract.

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

3.3.5 Financial assets

This item mainly consists of deposits and guarantees paid and which are not amortized.

Moreover, it includes equity security in non-consolidated companies. These securities are valued at their acquisition price, possibly adjusted for a provision for depreciation, bringing them to their useful value.

3.3.6 Receivables and debts

Receivables and debts are valued at their nominal value.

There was, a factoring agreement at CLASQUIN SA which resulted in a reduction in accounts receivable corresponding to the invoice amounts transferred (cf § 5.4 "Breakdown of receivables by maturity" and § 6.2 "Change in WCR and cash adjusted for factoring entries").
This contract was suspended in March 2006.

A provision for depreciation is set aside when the inventory value of receivables is below the book value.

Full or partial depreciation provisions are posted for bad debts if there is a possibility that recovery is uncertain and there is a historical precedence.

At year-end, the Group companies evaluate their debts and receivables in currencies on the basis of the exchange rate at year-end.

Debts and receivables hedged against foreign exchange rate fluctuations are valued according to the rate in the hedge contract.

3.3.7 Financial hedging instruments

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

3.3.8 Cash account and investment securities

Investment securities are valued at their purchase or subscription price, excluding related charges.
Provisions for depreciation are made when the market price or the probable selling price are lower than the purchase price.

The factoring agreement referred to in § 3.3.6 was entered into to provide an available line of credit.
This contract was suspended in March 2006.

3.3.9 Taxes on profits

In accordance with the requirements of CRC No. 99-02, the Group records deferred tax in the case of:

- Temporary differences between the tax and accounting values of assets and liabilities on the consolidated balance sheet;
- Tax credits and losses carried over.

Deferred taxes are calculated according to the liability method, by applying the last tax rate in force for each company.

In accordance with regulation CRC No. 99.02, deferred tax assets and liabilities are offset for the same tax entity.
Deferred tax assets and liabilities are offset by tax entity.

Deferred tax assets are only taken into consideration if:
- recovery does not depend on future results ; or
- recovery is likely due to taxable profits expected in the near future.

3.3.10 Provisions for liabilities and charges

Provisions for possible losses are set aside when a commitment has been made with a third party at the year-end closing date and cash outflow is certain or probable at the account cut-off date with no equivalent cross-entry.

3.3.11 Individual Right to Training ("DIF")

Only effectively accrued training costs for DIF, following a joint decision between the employee and the Company are recorded in expenses for that year.

Provisions are made in the following cases:
- disagreement continuing over two successive years between the employee and the Company, if the employee asks to benefit from individual training leave (ITL) from FONGECIF,
- resignation or dismissal of the employee if the person asks to benefit from his/her DIF before the end of the notice period.

Information relating to employee entitlements is provided in the notes section (cf § 5.10.1 "Off-balance-sheet commitments: commitments made").

The evaluation is expressed in number of hours, taking into consideration the implementation of the system as of May 2004.

3.3.12 Pension liabilities and similar benefits

For French companies the rights acquired by the employees in order to calculate retirement benefits is generally determined according to seniority and takes into consideration the probability the employee will still be working for the company at retirement age.

For French entities, the costs of these benefits, not discounted and based on stable salaries are estimated according to the following hypotheses:

- retrospective projected credit unit method (PBO-IAS19/FAS87)
- actuarial assumptions used:
  - Yield: 5% based on the French 10-year treasury bond rate (OAT)
  - Rate of inflation: 1.90% INSEE rate
  - Discount rate (i.e. difference between the rate of return and rate of inflation) : 3.04422%
- retirement age : 65
- turnover : low
- mortality table : TV 88/90
- Collective bargaining agreement: agreement specific to each French company or legal compensation if more favourable.

For foreign companies: implementation of local legal rules.

For accounting: cf § 5.10.1 "Commitments made".

3.3.13 Conversion method for currency transactions

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

On account cut-off, balances in currencies are converted at the closing rate. Any foreign exchange differences at that time and those generated on currency transactions, if applicable, are recorded in the financial results.

3.3.14 Sales recognition

Invoices issued by the company include:

a) services for air and sea freight forwarding, customs, insurance, etc.

b) customs liquidation (customs duties reinvoiced to customers).

Sales appearing in the income statement only includes income reported once the service has been provided and only for the items described in paragraph a) above.

Customs liquidation is entered directly on the balance sheet.

3.3.15 Distinction between extraordinary profit and ordinary profit

Ordinary profit relates to profit from activities comes from activities in which the company is involved within the framework of its business as well as related activities that it carries out as a secondary nature or as a continuation of its ordinary activities.

Extraordinary profit is generated via unusual events or transactions that are distinct from the activity and which are not supposed to happen frequently or regularly.

3.3.16 Earnings per share

Net earnings per share correspond to the consolidated net profit (Group share) divided by the average weighted number of shares of the parent company, in circulation during the financial year (excluding own shares deducted from shareholders' equity).

Diluted earnings per share correspond to consolidated net profit (Group share) divided by the average weighted number of shares adjusted by the maximum impact of converting dilutive instruments into ordinary shares.

4. Comparability of accounts

4.1 Accounting changes

There are three types of accounting changes likely to affect the comparability of accounts:

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

The Group opted to apply to certain transactions the recommendation from the French Association of Chartered Accountants relating to "ordinary profit". It was thus decided in 2006 that only events of an unusual or extraordinary nature would be recorded in expenses and extraordinary income. Consequently, customer, supplier and third party adjustments can be found in ordinary profit (cf § 5.11 "Details of other income and expenses").

4.2 Changes in the scope of consolidation

4.2.1 Entries/exits

As previously mentioned (cf § C.3 "Changes in the scope of consolidation"), in 2006:

- CLASQUIN TAIWAN was closed down on October 3rd 2006 and this company was deconsolidated from the Group's accounts on December 31st, for an amount corresponding to its negative shareholders' equity (€ 102,000).
  The impact of this closure on the Group accounts at December 31st 2006 is a loss of € 10,000 (cf § 5.14 "Extraordinary profit").

- CLASQUIN CANADA was formed on October 6th 2006 and this company was consolidated in the Group accounts at December 31st, for zero sales (business activity commenced at the start of 2007) and a loss of € 43,000 corresponding to start-up costs.

4.2.2 Internal restructuring

No internal restructuring took place in 2006.

4.2.3 Changes in consolidation methods

No change in consolidation methods was observed in 2006.

4.3 Acquisitions or disposals of equity investments after year-end

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

5. Explanation of the balance sheet and income statement and their changes

The tables below are an integral part of consolidated accounts.

5.1 Intangible fixed assets

5.1.1 Gross value

In order to optimize Group efficiency an integrated management software programme was developed in-house.

This system was rolled out in all the subsidiaries, except for the AEOLUS operating software.

The AEOLUS software was installed in the following subsidiaries: France, Italy, Spain, Hong Kong, Australia, and Singapore and, since 2006, in the US and in Thailand – Together these subsidiaries represent more than 80% of the Group's activity.

Changes in intangible fixed assets are presented in the table below:

INTANGIBLE ASSETS (in € thousand)	Gross value at 01/01/06	Change in consolidation scope	Acquisitions	Disposals	Foreign exchange gain/loss	Gross value at 31/12/06
Start-up costs	20	—	—	—	—	20
Goodwill *(1)*	345	—	—	—	—	345
Software *(2)*	2,294	—	292	89	-3	2,494
Leased software *(2)*	1,651	—	286	—	—	1,937
Other intangible assets	23	—	—	—	-2	21
TOTAL	4,333	—	578	89	-5	4,817

(1) Goodwill relates to the companies listed in the table below :

(2) From July 1st 2006, CLASQUIN SA stopped financing its IT investments (software and equipment) through leases.

SUBSIDIARIES	Gross value
CLASQUIN SPAIN	4.5
CLASQUIN ITALY	60.7
CLASQUIN USA	5.9
LOG SYSTEM	95.7
CLASQUIN JAPAN	89
SECURE USA	5.1
CLASQUIN THAILAND	84
TOTAL	344.9

5.1.2 Amortization

AMORTIZATION (in € thousand)	Amortization at 01/01/06	Change in consolidation scope	Allocations	Reversals	Foreign exchange gain/loss	Amortization at 31/12/06
Start-up costs	19	—	1	—	—	20
Goodwill *(1)*	185	—	28	—	—	213
Software	1,938	—	228	89	-2	2,075
Leased software	889	—	290	—	—	1,179
Other intangible assets	2	—	1	—	—	3
TOTAL	3,033	—	548	89	-2	3,490

(1) Amortization of goodwill per company is listed below:

SUBSIDIARIES	Amortization	Net amount
CLASQUIN SPAIN	4.5	—
CLASQUIN ITALY	60.7	—
CLASQUIN USA	5.9	—
LOG SYSTEM	86.1	9.6
CLASQUIN JAPAN	40.8	48.2
SECURE USA	2.0	3.1
CLASQUIN THAILAND	12.6	71.4
TOTAL	212.6	132.3

At December 31st 2006, the net book value of all the software can be broken down as follows:

AMOUNTS (in € thousand)	Net book value at 31/12/2006	Amortization	
		< 1 year	> 1 year
Operating software (AEOLUS, LILAUS, etc.)	981	405	576
Financial management software (EXACT, COGNOS, e-GOR.)	196	72	124
CRM software (E-Tracing, ORCHID)	1	1	—
TOTAL	1.178	478	700

5.2 Tangible fixed assets

5.2.1 Gross value

Note: from 01/07/2006, CLASQUIN SA stopped financing its IT investments through leasing.

TANGIBLE ASSETS (in € thousand)	Gross value at 01/01/06	Reclas-sification	Change in consolidation scope	Acquisitions	Disposals	Foreign exchange gain/loss	Gross value at 31/12/06
Buildings	4	—	—	—	—	—	4
Fixtures/fittings	639	—	-4	104	10	-15	714
Leased IT equipment	453	—	—	113	—	—	566
Other tangible assets	1,538	—	—	359	82	-55	1,760
TOTAL	2,634	—	-4	576	92	-70	3,044

5.2.2 Depreciation

DEPRECIATION (in € thousand)	Depreciation at 01/01/06	Reclas-sification	Change in consolidation scope	Allocations	Reversals	Foreign exchange gain/loss	Depreciation at 31/12/06
Buildings	1	—	—	—	—	—	1
Fixtures/fittings	332	—	-4	109	41	-7	389
Leased IT equipment	131	—	—	180	—	—	311
Other tangible assets	1,179	—	—	163	51	-43	1,248
TOTAL	1,643		-4	452	92	-50	1,949

5.3 Financial assets

5.3.1 Gross value

FINANCIAL ASSETS (in € thousand)	Gross value at 01/01/06	Reclas-sifications	Change in consolidation scope	Acquisitions	Disposals	Foreign exchange gain/loss	Gross value at 31/12/06
Shares in non-consolidated companies	50	+5	—	—	—	—	55
Deposits and guarantees	310	+9	-15	51	9	-8	338
Other financial assets	49	-14	—	8	31	-1	11
TOTAL	409	0	-15	59	40	-9	404

Non-consolidated equity securities relate to the following companies:

SUBSIDIARIES	Securities gross value	Securities net value	% held	Shareholders' equity	Result	Closing date
CLASQUIN NETHERLANDS *(1)*	18	0	100 %	*(1)*	*(1)*	*(1)*
CLASQUIN PYONGYANG	5	0	51%			
SCI RF	32	17	NS			
TOTAL	55	17				

(1) Company wound up in 2000. The securities, fully provisioned, are being kept in assets pending a decision from the Dutch commercial court.

5.3.2 Depreciation

DEPRECIATION (in € thousand)	Depreciation at 1/01/06	Reclassifications	Allocations	Reversals	Foreign exchange gain/loss	Depreciation at 31/12/06
Shares in non-consolidated companies	31	—	7	—	—	38
Deposits and guarantees	1	—	2	2	—	1
Other financial assets	0	—	—	—	—	0
TOTAL	32	—	9	2	—	39

5.4 Breakdown of receivables by maturity

5.4.1 Receivables by maturity

Receivables can be broken down as follows:

GROSS VALUE (in € thousand)		At 31/12/06	< 1 year	> 1 year
Trade and accounts receivable		30,272	29,689	583
Non-consolidated company loans		6	6	–
Other receivables	*(1)*	2,567	2,567	–
Deferred tax assets		48	48	–
Subtotal		**32,893**	**32,310**	**583**
Prepaid expenses	*(2)*	843	843	–
TOTAL		**33,736**	**33,153**	**583**

(1) At December 31st 2006, receivables linked to factoring (cf § 5.4.2 "Factoring") are nil. At December 31st 2005 they were € 2,263,000.

At December 31st 2005, expenses of € 221,000 relating to the IPO on January 31st 2006 were recorded in a suspense account recognized under "Other receivables".
All of these expenses, booked at € 833,000, were charged to the issue premium, with € 277,000 deducted in income tax, i.e. a net amount of € 556,000, in accordance with the Board of Directors' decision of December 21st 2006.

(2) Prepaid expenses mainly include expenses incurred for business executed prior to closing.

5.4.2 Factoring

In March 2006, the factoring agreement was suspended. Financing under the Customer item was covered in part by the capital increase during the IPO, and the balance was funded, through regular bank loans and overdrafts.

At December 31st 2006, there was no further impact on the Customer item from the sale of receivables to the factor.

The impact, on other items in the assets and on off-balance sheet commitments is summarised in the following table:

FACTORING POSITION (in € thousand)	At 31/12/06	At 31/12/05
Outstanding receipts	–	662
Factoring guarantee funds	–	1,516
Unavailable funds	–	85
Other receivables	**1**	**2,263**
Available from factoring	**–**	**10,214**
Customer payments received by factoring on unsold receivables	**-1**	**–**
Financing from customer outstanding amounts	**–**	**2,671**
AMOUNT OF CUSTOMER RECEIVABLES SOLD	**0**	**15,148**

5.5 Depreciation of current assets

DEPRECIATION (in € thousand)	Value at 01/01/06	Allocation	Reversal	Foreign exchange gain/loss	Value at 31/12/06
Trade and accounts receivable	379	216	120	-8	467
Non-consolidated company loans	—	6	—	—	6
Other receivables	—	—	—	—	—
TOTAL	379	222	120	-8	473

5.6 Shareholders' equity

5.6.1 Composition of share capital

Further to the capital increase as a result of the IPO on January 31st 2006, the share capital of CLASQUIN SA consists of 2,229,931 shares each with a par value of € 2.

5.7 Provisions for liabilities and charges

Provisions for liabilities and charges can be broken down as follows:

PROVISIONS (in € thousand)	Subsidiaries	Amount at 01/01/06	Allocations	Foreign exchange gain/loss	Reversals		Amount at 31/12/06
					used	not used	
Suppliers and customers	Holding	17	96	—	—	-26	87
CLASQUIN NETHERLANDS guarantees *(1)*	Holding	336	18	—	—	–	354
Employees *(2)*	Holding	—	101	—	—	—	101
Adjustment customs accounts prev. year	Holding	113	30	—	—	-120	23
Non conversion premium on bond loan	Holding	28	20	—	—	—	48
Pension payments	Clasquin Italy	23	10	—	-15	—	18
Pension payments	Clasquin Japan	31	2	-3	—	—	30
TOTAL		548	277	-3	-15	-146	661

(1) Guarantees provided for the CLASQUIN NETHERLANDS subsidiary amounted to € 544,000. In the context of litigation relating to these guarantees, the total amount of provisions for this liability amounts to € 354,000 at December 31st 2006.
The Company considers demands in excess of this sum to be unfounded.

(2) The amount provisioned includes on-going litigation since 2002 between CLASQUIN SA and a former employee. The company won the first case before the French Labour court. On appeal the employee's claims were dismissed but the Court of Cassation quashed the decision and the case has been put before a different jurisdiction. The Company has acknowledged the Court of Cassation's decision and has provisioned € 50,000 in its 2006 annual accounts, pending the Court of Appeal's decision.

5.8 Deferred taxes

Taking account of deferred tax in the consolidated financial statement at December 31st 2006 had the following impact, item by item:

DEFERRED TAX ASSETS (in € thousand)	Amount at 01/01/06	Impact on reserves	Impact on profit	Other changes	Amount at 31/12/06
Provision for paid holidays	43	—	-7	—	36
Organic	7	—	+1	—	8
Various adjustments	—	—	—	—	—
DTA/DTL offset	-29	—	+33	—	4
Losses and deferred depreciation carried forward	—	—	—	—	—
TOTAL CHARGE (-) / INCOME (+)	**21**	**—**	**27**	**—**	**48**

DEFERRED TAX LIABILITIES (in € thousand)	Amount at 01/01/06	Impact on reserves	Impact on profits	Other changes	Amount at 31/12/06
Lease financing	29	—	-33	—	-4
DTA/DTL offset	-29	—	+33	—	+4
TOTAL	**0**	**—**	**0**	**—**	**0**

5.9 Loans and debts

5.9.1 Nature, change and maturity of loans and financial debts

NATURE (in € thousand)	Subsidiary	Amount at 31/12/06	New loan	Foreign exchange gain/loss	Loan repaymt.	Amount at 31/12/06	2007	2008 to 2010	After 2010
Bond loans *(1)*	Holding	500	—	—	—	500	—	500	0
Loans with banks *(2)*	Holding	598	600	—	213	985	335	650	0
	Clq. Australia	69	—	-4	65	—	—	—	0
Subtotal		**667**	**600**	**-4**	**278**	**985**	**335**	**650**	**0**
Lease loans	Holding	977	400	—	363	1,014	418	596	0
Bank overdrafts	Various	1,704	—	—	761	943	943	—	0
Associate current accounts *(3)*	Holding	—	445	—	—	445	445	—	0
Total loans and financial debts		**3,348**	**1,445**	**-4**	**1,402**	**3,387**	**2,141**	**1,246**	**0**
TOTAL		**3,848**	**1,445**	**-4**	**1,402**	**3,887**	**2,141**	**1,746**	**0**

(1) The bond loan was for the issue in 2004 of 200,000 convertible bonds by the Banque de Vizille, at a unit issue price of € 2.50. The maturity date for this loan is July 31st 2011 at the latest. Its annual cost is 4%.
These bonds come with a non conversion premium of 4% per year, calculated retroactively as of the issue date of the bonds and whose cost is, as a precaution, provisioned in the income statement for the period concerned (cf § 5.7 "Provisions for liabilities and charges" on the amount provisioned in the balance sheet).

(2) The original amount of the CLASQUIN AUSTRALIA loan is in euros.

(3) This relates to cash advance from an associate, with a 3.5% annual interest rate.

5.9.2 Financial debts: breakdown by main currencies

The breakdown of loans and financial debts by main original currencies is as follows:

AMOUNTS (in € thousand)	At 31/12/06	EUR	JPY	SGD	MYR	THB	AUD
Bond loans	500	500	–	–	–	–	–
Loans with banks	985	985	–	–	–	–	–
Lease loans	1,014	1,014	–	–	–	–	–
Bank overdrafts	943	240	509	110	35	26	23
Associate current accounts	445	445	–	–	–	–	–
TOTAL LOANS AND FINANCIAL DEBTS	3,887	3,184	509	110	35	26	23

5.9.3 Breakdown by rate type

Bank loans have a variable interest rate but can be hedged.
At December 31st 2006, no hedges were in place.

5.9.4 Debts secured by collateral

The amount of debts secured by collateral given by consolidated companies amounted to €110,000 at December 31st 2006 and can be broken down as follows:

TYPE OF DEBT (in € thousand)	Pledge value	
	At 31/12/06	At 31/12/05
Pledge of CLASQUIN SINGAPORE business	110	390
Total loans and financial debts	110	390

5.9.5 Other short-term liabilities

The other short-term liabilities, all maturing within the year, can be broken down as follows:

TYPE OF DEBT (in € thousand)	At 31/12/06	< 1 year	> 1 year
Suppliers and related accounts *(1)*	22,386	22,386	–
Tax and social liabilities	2,971	2.971	–
Other debts	353	353	–
Subtotal	25,710	25,710	–
Prepaid income	205	205	–
TOTAL	25,915	25,915	–

(1) € 5,599,000 € of debts related to the French Customs Authorities.

5.10 Off-balance sheet commitments

5.10.1 Commitments made

Factoring

Until March 2006, the factor bought CLASQUIN SA customer receivables with recourse against the transferor.
CLASQUIN SA made a commitment to sell all its invoices.
In March 2006 the factoring agreement was suspended.
The amounts of outstanding customer receivables sold at year-end are summarised below:

OUTSTANDING TRADE RECEIVABLES SOLD TO THE FACTOR (in € thousand)	At 31/12/06	At 31/12/05
Amount of receivables sold	0	15,148

Individual Right to training "DIF")

The number of cumulated training hours corresponding to the remaining balance acquired by French company employees' amounts to:

SUBSIDIARIES	At 31/12/06	At 31/12/05
CLASQUIN SA	5,045	3,356
LOG SYSTEM	651	360

Bonuses

At December 31st 2006, French companies had posted no provision for liabilities linked to bonuses, as there is no obligation either in the Collective Bargaining Agreement or in a Company Agreement.

Guarantees

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

GUARANTEES (in € thousand)	At 31/12/06	At 31/12/05
. FOR SUBSIDIARIES:		
CLASQUIN FAR EAST	1,254	1,319
CLASQUIN JAPAN	637	718
CLASQUIN AUSTRALIA	132	205
CLASQUIN SPAIN	0	60
CLASQUIN SINGAPORE	561	573
CLASQUIN MALAYSIA	142	147
CLASQUIN ITALY	712	670
CLASQUIN NETHERLANDS	544	544
CLASQUIN THAILAND	49	49
. FOR CLASQUIN PERFORMANCES (employee mutual fund):	250	0
TOTAL	4,281	4,285

Pension payments

Pension payments are summarised in the following tables:

SUBSIDIARIES RECORDING THE COMMITMENT IN PROVISION FOR LIABILITIES	Liability at 31/12/06 (in € thousand)	2006 expense (in € thousand)
CLASQUIN JAPAN	30	2
CLASQUIN ITALY	18	10

SUBSIDIARIES RECORDING THE COMMITMENT IN TAX AND SOCIAL LIABILITIES	Liability at 31/12/06 (in € thousand)	2006 expense (in € thousand)
CLASQUIN KOREA	15	16

SUBSIDIARIES NOT RECORDING THE LIABILITY IN ACCOUNTS		Liability at 31/12/06 (in € thousand)
CLASQUIN SA	*(1)*	113
LOG SYSTEM	*(1)*	18
CLASQUIN SPAIN	*(2)*	NA

(1) This amount was calculated using the assumptions specified in § 3.3.12 "Pension liabilities and similar benefits".

(2) Spanish legislation does not require any pension liabilities to be recorded for employees under the age of 50, which is the case for CLASQUIN SPAIN where the average age of employees is 31.

SUBSIDIARIES MAKING PENSION CONTRIBUTIONS TO A MANAGEMENT ORGANISATION	2006 expense (in € thousand)
CLASQUIN AUSTRALIA (Superannuation)	37
CLASQUIN FAR EAST (MPF Contribution)	22

SUBSIDIARIES WITH NO PENSION LIABILITY, IN ACCORDANCE WITH COUNTRY LEGISLATION IN FORCE	Subsidiary headcount at 31/12/06
CLASQUIN USA	15
SECURE USA	3
CLASQUIN SINGAPORE	11
CLASQUIN THAILAND	16
CLASQUIN MALAYSIA	10

5.10.2 Commitments received

No commitments had been received at December 31st 2006.

5.11 Details of other income and expenses

GROSS VALUE (in € thousand)	Other expenses	Other income	Profit/Loss
Customer adjustments	43	65	22
Supplier adjustments	75	222	147
Third party account adjustments	98	298	200
Settlement customer litigation CLASQUIN MALAYSIA	44	—	-44
Miscellaneous	1	14	13
TOTAL	261	599	338

5.12 Financial instruments

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

At December 31st 2006, the hedges used were the following (none were subscribed for speculation):

In currency thousand	CLASQUIN JAPAN		CLASQUIN FAR EAST		CLASQUIN AUSTRALIA		CLASQUIN FRANCE	
	purchase	sale	purchase	sale	purchase	sale	purchase	sale
At 31.12.2006	€ 12 thousand	1,831 JPY thousand	9,239 $HK thousand	€ 900 thousand	€ 0	0 $AU	€ 0	0 $US
At 31.12.2005	€ 426 thousand	59,040 JPY thousand	13,331 $HK thousand	€ 1,450 thousand	€ 100 thousand	159 $AU thousand	€ 337 thousand	400 $US thousand

5.13 Financial profit/loss

The financial profit/loss can be broken down as follows:

BREAKDOWN OF FINANCIAL PROFIT/LOSS (in € thousand)	At 31/12/06	At 31/12/05
Foreign exchange gains	907	771
Other financial income	69	6
Provision reversal for depreciation of financial assets	2	—
Total financial income	**978**	**777**
Provisions for depreciation financial assets	9	3
Provisions for financial liabilities	20	20
Foreign exchange losses	729	837
Interest and related expenses	191	278
Total financial expenses	**949**	**1,138**
FINANCIAL PROFIT/LOSS	29	-361

5.14 Extraordinary profit/loss

The breakdown of extraordinary profit/loss is as follows:

GROSS VALUE (in € thousand)		Extraordinary expenses	Extraordinary income	Profit/Loss
Bad debt balance		—	11	11
Disposal of assets		—	10	10
Closure CLASQUIN TAIWAN		112	102	-10
Litigation CLASQUIN NETHERLANDS, of which :		76	—	-76
▪ Lawyers fees	58			
▪ provision for late interest on guarantees	19			
Fines and penalties		15	—	-15
Miscellaneous		11	6	-5
TOTAL		214	129	-85

Customer, supplier and customs accounts adjustments which were previously recorded as profit from extraordinary activities have been reclassified as "Other income" (€ 599,000) and "Other expenses" (€ 261,000), under operating income.

5.15 Income tax

5.15.1 Analysis of corporate income tax

For the holding company, there are no tax deficits or deferred depreciation left to record.

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

Corporate income tax from repeated temporary mismatches has been restated for French companies and foreign companies.

In 2006, this generated an income of € 27,000 (cf § 5.8 "Deferred taxes").

5.15.2 Tax proof

TAX PROOF (in € thousand)	At 31/12/06	At 31/12/05
Group net profit	2,559	2,113
Corporate income tax	+831	+590
Net profit before tax	3,390	2,703
Theoretical tax expense (at 33.33 %)	1,129	919
Tax charge recorded	831	590
TAX DIFFERENCE TO ANALYSE *(1)*	298	329

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

ANALYSIS OF THE TAX DIFFERENCE (in € thousand)	Expenses	Income
Difference in rate for foreign companies	—	178
Unused tax losses for the year	33	—
Deficits to be carried forward and deferred depreciation used	—	178
Elements taxed at a lower rate and tax credits	—	—
Permanent differences	25	—
Change in rate on deferred tax	—	—
Total	58	356
INCOME NET OF TAX	—	298

5.16 Breakdown of staff number and incentive program

The average number of employees in consolidated companies worldwide can be broken down as follows:

5.16.1 Staff: breakdown by geographical area

HEADCOUNT BY GEOGRAPHICAL AREA	At 31/12/06			At 31/12/05			2006/2005 change
	Number	%	% Total	Number	%	% Total	
France	139	43.4 %	*4.1 %*	141	45.6 %	*43.4 %*	-1.4 %
Other European countries	15	4.7 %	*4.5 %*	13	4.2 %	*4.0 %*	15.4 %
Asia	148	46.3 %	*4.8 %*	143	46.3 %	*44.0 %*	3.5 %
USA	18	5.6 %	*5.3 %*	12	3.9 %	*3.7 %*	50.0 %
Total excluding Log System	320	100 %	*94.7 %*	309	100 %	*95.1 %*	3.6 %
Log System	18		*5.3 %*	16		*4.9 %*	12.5 %
TOTAL	338		*100 %*	325		*100 %*	4.0 %

5.16.2 Staff: breakdown by function

HEADCOUNT BY POSITION	At 31/12/06			At 31/12/05			2006/2005 change
	Number	%	% Total	Number	%	% Total	
Operations	187	58.4 %	*55.3 %*	187	60.5 %	*57.6 %*	0.0 %
Sales	54	16.9 %	*16.0 %*	53	17.2 %	*16.3 %*	1.9 %
Back office	47	14.7 %	*13.9 %*	40	12.9 %	*12.3 %*	17.5 %
Management (incl. Country & Profit Centre Managers)	32	10.0 %	*9.5 %*	29	9.4 %	*8.9 %*	10.3%
Total excluding Log System	320	100 %	*94.7 %*	309	100 %	*95.1 %*	3.6 %
Log System	18		*5.3 %*	16		*4.9 %*	12.5 %
TOTAL	338		*100 %*	325		*100 %*	4.0 %

5.16.3 Staff: breakdown executives / non executives

EXECUTIVES / NON-EXECUTIVES	At 31/12/06		At 31/12/05		2006/2005 change
	Number	%	Number	%	
Non executives	245	72.5 %	235	72.3 %	4.3 %
Executives	93	27.5 %	90	27.7 %	3.3 %
TOTAL	338	100 %	325	100 %	4.0 %

5.16.4 Incentive program

The cost of the incentive program applicable at CLASQUIN SA was € 828,000 for 2006 versus € 659,000 for the previous year.

6. Other information

6.1 Income statement

INCOME STATEMENT (in € thousand)	At 31/12/06	%	At 31/12/05	%	% change
SALES	106,172		92,334		15.0 %
SUB-CONTRACTING	82,104		70,652		16.2 %
GROSS PROFIT	24,068	100 %	21,682	100 %	11.0 %
Office related expenses	1,665	6.9 %	1,493	6.9 %	11.5 %
Communication expenses	710	2.9 %	608	2.8 %	16.8 %
Marketing	542	2.3 %	452	2.1 %	19.8 %
Travel expenses	1,018	4.2 %	902	4.2 %	12.9 %
Fees	608	2.5 %	829	3.8 %	-26.7 %
Insurance	530	2.2 %	465	2.1 %	14.0 %
Miscellaneous	567	2.4 %	642	3.0 %	-11.7 %
TOTAL EXTERNAL EXPENSES	5,640	23.4 %	5,391	24.9 %	4.6 %
ADDED VALUE	18,428	76.6 %	16,291	75.1 %	13.1 %
Salaries and expenses	14,135	58.7 %	11,995	55.3 %	17.8 %
EBITDA	4,293	17.9 %	4,296	19.8 %	-0.1 %
Amortization, depreciation and provisions net of reversals	1,157	4.8 %	965	4.4 %	19.9 %
Other income	599	2.5 %			
Other expenses	261	1.1 %			
OPERATING INCOME	3,474	14.5 %	3,331	15.4 %	4.3 %
Financial income	978	4.1 %	777	3.6 %	25.9 %
Financial expenses	949	4.0 %	1,138	5.3 %	-16.6 %
FINANCIAL PROFIT/LOSS	29	0.1 %	-361	-1.7 %	-108.1 %
ORDINARY PROFIT	3,503	14.6 %	2,970	13.7 %	18.0 %
Extraordinary income	129	0.5 %	229	1.1 %	-43.5 %
Extraordinary expenses	214	0.9 %	467	2.2 %	-54.1 %
EXTRAORDINARY PROFIT/LOSS	-85	-0.4 %	-238	-1.1 %	-64.3 %
NET PROFIT BEFORE TAX	3,418	14.2 %	2,732	12.6 %	25.1 %
Corporate tax	831	3.5 %	590	2.7 %	41.0 %
Amortization of goodwill	28	0.1 %	29	0.1 %	-3.4 %
CONSOLIDATED NET PROFIT	2,559	10.6 %	2,113	9.8 %	21.1 %

CASH FLOW (in € thousand)	3,644	15.1 %	3,280	15.1 %	11.1 %

6.2 Evolution of WCR and cash position adjusted for factoring

Before the factoring agreement was suspended (in March 2006), CLASQUIN Group's balance sheet included entries related to the use of factoring as follows:

- The sale of customer invoices to the factor was posted as a credit to accounts receivable at the time of sale,
- The guarantee funds appeared in the other receivables on the balance sheet assets,
- Outstanding invoices sold, available at any time for financing by the factor, appeared in available funds.

In order to present the Group's working capital requirements and cash resources, excluding sales to the factor, the Group's summarised consolidated financial position was established, below, after cancellation of sales entries:

AMOUNTS IN € THOUSAND	31/12/06	31/12/05		31/12/06	31/12/05
			Shareholders' equity	11,147	4,978
			Other stable financing	3,605	2,692
Stable assets	**2,788**	**2,670**	**Total stable financing**	**14,752**	**7,670**
			Working capital	**11,964**	**5,000**

Customer and related accounts after sales to factor	29,804	11,793	Suppliers and related accounts	22,386	20,422
Other receivables	3,411	5,348	Other debts	3,530	3,031
Cancellation of sales to factor	0	12,885			
Customer, related accounts and other receivables before sales to factor	**33,215**	**30,026**	**Operating financing**	**25,916**	**23,453**
WCR adjusted for factoring	**7,299**	**6,573**			

Deferred tax	**48**	**21**

Non consolidated company loans	**0**	**0**

Cash before factoring adjustment	4,617	11,291	Bank overdrafts before factoring adjustment		
Factoring adjustment	0	-12,885	Factoring adjustment		
Cash adjusted for factoring	**4,617**		**Bank overdrafts adjusted for factoring**		**1,594**

6.3 Sales

6.3.1 Sales breakdown by geographical area

Before consolidation entries

SALES BY GEOGRAPHICAL AREA	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
France	61,892	47.5 %	55,381	48.1 %	6,511	11.8 %
Other European countries	8,303	6.3 %	6,153	5.3 %	2,150	34.9 %
Asia	52,861	40.6 %	47,446	41.2 %	5,415	11.4 %
USA	7,239	5.6 %	6,231	5.4 %	1,008	16.2 %
Total excl. Log System and consolidation entries	130,295	100 %	115,211	100 %	15,084	13.1 %
Log System	1,631		1,365		266	19.5 %
Consolidation entries	-25,754		-24,242		-1,512	6.2 %
CONSOLIDATED TOTAL	106,172		92,334		13,838	15.0 %

After consolidation entries

SALES BY GEOGRAPHICAL AREA	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
France	56,404	53.9 %	48,728	53.5 %	7,676	15.7 %
Other European countries	7,074	6.7 %	4,688	5.1 %	2,386	50.9 %
Asia	35,863	34.3 %	33,387	36.6 %	2,476	7.4 %
USA	5,350	5.1 %	4,340	4.8 %	1,010	23.3 %
Total excl. Log System	104,691	100 %	91,143	100 %	13,548	14.9 %
Log System	1,481		1,191		290	24.4 %
CONSOLIDATED TOTAL	106,172		92,334		13,838	15.0 %

6.3.2 Sales breakdown by business line

SALES BY BUSINESS LINE	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
Air freight	57,332	54.8 %	51,387	56.5 %	5,945	11.6 %
Sea freight	43,887	42.0 %	36,825	40.5 %	7,062	19.2 %
Others	3,322	3.2 %	2,757	3.0 %	565	20.5 %
Total excl. Log System	104,541	100 %	90,969	100 %	13,572	14.9 %
Log System	1,631		1,365		266	19.5 %
CONSOLIDATED TOTAL	106,172		92,334		13,838	15.0 %

6.3.3 Sales breakdown by currency

SALES BY CURRENCY	At 31/12/06		At 31/12/05	
	€ thousand	%	€ thousand	%
Euro	71,826	54.5%	62,900	54.0%
USD / HKD	36,832	27.9%	30,465	26.1%
Yen	8,228	6.2%	10,072	8.6%
Others	15,040	11.4%	13,139	11.3%
Total before consolidation entries	131,926	100 %	116,576	100 %
Consolidation entries	-25,754		-24,242	
TOTAL AFTER CONSOLIDATION ENTRIES	106,172		92,334	

6.3.4 Impact of foreign exchange rates on sales

IMPACT OF FOREIGN EXCHANGE RATE ON SALES	At 31/12/06	At 31/12/05	Change	%
At variable exchange rate	106,172	92,334	13,838	15.0 %
At constant exchange rate	106,667	92,334	14,333	15.5 %
Difference			-495	-0.5 %

6.4 Gross profit

6.4.1 Breakdown of gross profit by geographical area

Before consolidation entries

GROSS PROFIT BY GEOGRAPHICAL AREA	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
France	13,359	55.0 %	11,967	54.3 %	1,392	11.6 %
Other European countries	1,507	6.2 %	1,300	5.9 %	207	15.9 %
Asia	7,839	32.3 %	7,381	33.5 %	458	6.2 %
USA	1,581	6.5 %	1,380	6.3 %	201	14.6 %
Total excl. Log System and consolidation entries	24,286	100 %	22,028	100 %	2,258	10.2 %
Log System	1,232		955		277	29.1 %
Consolidation entries	-1,450		-1,301		-149	11.4 %
CONSOLIDATED TOTAL	24,068		21,682		2,386	11.0 %

__After consolidation entries__

GROSS PROFIT BY GEOGRAPHICAL AREA	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
France	12,215	53.3 %	11,085	53.1 %	1,130	10.2 %
Other European countries	1,507	6.6 %	1,300	6.2 %	207	16.0 %
Asia	7,635	33.4 %	7,143	34.2 %	492	6.9 %
USA	1,543	6.7 %	1,343	6.5 %	200	14.9 %
Total excl. Log System	22,900	100 %	20,871	100 %	2,029	9.7 %
Log System	1,168		811		357	44.0 %
CONSOLIDATED TOTAL	24,068		21,682		2,386	11.0 %

6.4.2 Breakdown of gross profit by business line

GROSS PROFIT BY BUSINESS LINE	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
Air freight	13,275	58.1 %	12,779	61.7 %	496	3.9 %
Sea freight	8,835	38.7 %	7,236	34.9 %	1,599	22.1 %
Others	726	3.2 %	712	3.4 %	14	1.9 %
Total excl. Log System	22,836	100 %	20,727	100 %	2,109	10.2 %
Log System	1,232		955		277	29.1 %
CONSOLIDATED TOTAL	24,068		21,682		2,386	11.0 %

6.4.3 Breakdown of gross profit by currency

GROSS PROFIT BY CURRENCY	At 31/12/06		At 31/12/05	
	€ thousand	%	€ thousand	%
Euro	16,098	63.1 %	14,222	61.9%
USD / HKD	5,222	20.5 %	4,628	20.1%
Yen	1,432	5.6 %	1,745	7.6%
Others	2,766	10.8 %	2,388	10.4%
Total before consolidation entries	25,518	100 %	22,983	100 %
Consolidation entries	-1,450		-1,301	
TOTAL AFTER CONSOLIDATION ENTRIES	24,068		21,682	

6.4.4 Impact of foreign exchange rates on gross profit

IMPACT OF FOREIGN EXCHANGE RATES ON GROSS PROFIT	At 31/12/06	At 31/12/05	Change	%
At variable exchange rate	24,068	21,682	2,386	11.0 %
At constant exchange rate	24,167	21,682	2,485	11.5 %
Difference			-99	-0.5 %

6.5 Operating income

6.5.1 Breakdown of operating income by geographical area

OPERATING INCOME BY GEOGRAPHICAL AREA	At 31/12/06		At 31/12/05		2006/2005 change	
	€ thousand	%	€ thousand	%	€ thousand	%
France	1,749	50.1 %	1,540	46.1 %	209	13.6 %
Other European countries	307	8.8 %	341	10.2 %	-34	-10.0 %
Asia	1,367	39.1 %	1,336	40.1 %	31	2.3 %
USA	69	2.0 %	120	3.6 %	-51	-42.6 %
Total excl. Log System and consolidation entries	3,492	100 %	3,337	100 %	155	4.6 %
Log System	56		51		5	9.5 %
Consolidation entries	-74		-57		-17	28.6 %
CONSOLIDATED TOTAL	3,474		3,331		143	4.3 %

6.6 Post balance sheet events

No significant events have taken place since December 31st 2006.

6.7 Associated companies

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

6.8 Directors

6.8.1 Remuneration granted to members of administrative and management bodies

Remuneration of board members amounted to € 447,000 for 2006.

6.8.2 Pension and benefits liabilitities

There are no liabilities relating to pensions and related benefits for members and former members of administrative and management bodies.

Auditors' report on the consolidated financial statements for the year ending December 31st 2006

Ladies and Gentlemen,

In accordance with the mission entrusted to us at your General Meeting, we have audited the consolidated financial statements of CLASQUIN SA relating to the year-ending December 31st 2006, as presented with this report.

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

Opinion on the consolidated financial statements

We carried out our audit according the professional standards applicable in France; these standards require due care in order to be reasonably assured that the consolidated financial statements do not contain any significant anomalies. An audit involves examining evidence justifying the information contained in these financial statements by means of tests. It also involves assessing the accounting principles followed and the main estimates used for "closing" the accounts and evaluating their overall presentation. We consider that our audits provide a reasonable basis for the opinion expressed below.

With regard to French accounting rules and principles, we certify that the consolidated accounts are fair and give a true picture of the assets, the financial position as well as the overall results of all companies and entities included in the consolidation.

Without questioning the opinion expressed below, we would like to draw your attention to point 4.1 in the notes which highlights a change in the accounting method for customer, supplier and third part accruals.

Justification of assessments

In pursuance of the provisions of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we would like to inform you of the following items:

- Accounting change

Note 4.1 of the note to the consolidated financial statements presents the change of accounting method that took place during the year and relates to the accounting entries of customer, supplier and third party accruals. Within the context of our assessment of accounting rules and principles followed by your Company we are entirely satisfied with the merits of this change in accounting method and the presentation which has been made to you.

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

Specific verification

In accordance with professional standards applicable in France we also proceeded with to verify the information given in the report on Group management. We have no observation to make regarding its accuracy and whether it concurs with the information in the consolidated financial statements.

LYON, April 19th 2007

Auditors

KPMG - Enterprises	PIN ASSOCIES
Department within KPMG SA	
Alain CHAMAK	Jean-François PIN
Partner	Partner

BOARD OF DIRECTORS' MANAGEMENT REPORT OF FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31st 2006

Ladies and Gentlemen:

We have called you to this Annual General Meeting, according to the company's articles of association and the law governing commercial companies, to:

- report our Company's, subsidiaries' and Group's activity for the year ending December 31st 2006, as well as the results of this activity and future prospects ;

- request your approval of the balance sheet, company accounts and consolidated accounts for the said year ;

- recommend authorizing the Company to increase its share capital by issue of securities, with or without withdrawal on the pre-emption right, according to the case, with delegation to the Board of Directors to take decisions concerning the aforementioned issues;

- recommend authorizing the Board of Directors to increase the number of securities to be issued within the framework of a capital increase in the case of excess subscription requests, under the conditions of article L. 225-135-1 of the Commercial Code;

- suggest that you take a decision in pursuance of the law concerning save-as-you-earn plans imposing the proposal at the AGM of an increase in capital reserved to employees under the conditions provided for by article L.443-5 of the Labour Code ;

- suggest that you update point 3 of article 23 of the articles of association relating to General Meetings attendance according to the provisions of the December 12th 2006 decree ;

- authorisation and powers vested to the Board of Directors with a view to freely allocate shares, and fix the terms and conditions; authorisation and powers vested to the Board of Directors with a view to proceed with a capital increase reserved to employees.

1. Situation of the Group, the Company and its subsidiaries

1.1 CLASQUIN Group

Double digit growth of activity in 2006 consistent with targets.

Sales were up 15% to reach 106.2 M€.

In a dynamic global trade environment, CLASQUIN continues to gain new market share and to find new customers, which is the result of the quality of its services and the increasing efficiency of its sales teams.

Sales geographical breakdown has slightly changed and can be shown as follows:

	2006	2005
France	48 %	48 %
Europe (excl. France)	6 %	5 %
Asia-Pacific	41 %	41 %
United States	5 %	6 %

The breakdown of sales by business line remains almost identical last year, 55% for air freight (vs 57% in 2005) and 42% for sea freight (vs 41% in 2005).

Gross profit, the Group benchmark indicator, showed + 11% at 24.1 M€.

1.2 CLASQUIN SA

Sales of CLASQUIN SA, parent company of the Group, but also the Company grouping all operations in France, increased by 11.7 %.

Results are detailed in paragraph 2.1.2.

2. Economic and financial results of the Company

2.1 Presentation of company and consolidated accounts

The company and consolidated accounts on December 31st 2006 that we are submitting to you for approval were established in compliance with the rules of presentation and valuation methods provided for by regulations in force.

The rules of presentation and valuation methods used are identical to those of last year, except that certain other income and expenses, previously entered in profits from extraordinary activities, were reclassified as profit from ordinary activities, following the implementation of the Association of Chartered Accountants recommendation concerning “profit from ordinary activities”.

2.1.1 Consolidated accounts

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

2.1.1.1 Changes of consolidated companies

Consolidated companies included in CLASQUIN Group are listed in the notes to the consolidated financial statements.

For 2006, the scope of consolidation was modified as follows:

- CLASQUIN CANADA was consolidated
- CLASQUIN TAIWAN was no longer consolidated

The other companies were not consolidated according to the rules of consolidation.

2.1.1.2 Consolidated results for year ending December 31st 2006

In €	31.12.2006	31.12.2005	Variation
Net sales	106,172,123	92,333,643	14.99 %
Cash purchases	82,104,049	70,651,971	16.21 %
Gross profit	24,068,073	21,681,672	11.01 %
EBIT	3,474,004	3,330,976	4.29 %
Net profit before tax and exceptional	3,503,124	2,970,063	17.95 %
Consolidated net profit	**2,558,750**	**2,113,380**	**21.07 %**
Net result group share	**2,541,214**	**2,089,996**	**21.59 %**
Net result group share per share	**1.16***	**0.62***	**87.66 %**

**the number of CLASQUIN SA shares grew significantly during 2005 and 2006*

The consolidated results increased by 21.1% to reach a consolidated net result of 2,558,750 euros compared to a consolidated net result of 2,113,380 euros for the previous year.

Taking this result into consideration, within shareholders' equity, the Group share is 10,983,673 euros and the minority shares represent 163,566 euros for share capital of 4,459,862 euros on December 31st 2006.

Net sales for the year reached 106,172,123 euros compared to 92,333,643 euros for the previous year, i.e. a progression of 15% compared to 30.7 % for the previous year.

A 4.3% increase in EBIT at 3,474,004 euros compared to 3,330,976 euros for the previous year.

The financial result registered profit of 29,120 euros compared to a 360,913 euro loss the previous year.

Extraordinary activities registered an 85,091 euro loss compared to a loss of 238,338 euros the previous year.

Global net result registered a profit of 2,558,750 euros, with the Group share reaching 2,541,214 euros.

2.1.1.3 CLASQUIN SA subsidiaries

In € thousands	Sales 2006	Gross profit 2006	Progression Gross profit 2006/2005	EBIT 2006	EBIT 2005
CLASQUIN ITALIA	2,012	489	4.3 %	-7	58
CLASQUIN SPAIN	6,290	1,018	22.5 %	314	283
LOG SYSTEM	1,631	1,232	29.1 %	56	51
CLASQUIN JAPAN	8,228	1,432	-17.9 %	52	85
CLASQUIN KOREA	3,406	570	37.0 %	142	45
CLASQUIN FAR EAST	29,592	3,641	12.1 %	977	1,102
CLASQUIN SINGAPORE	3,071	644	-0.6 %	60	75
CLASQUIN THAILAND	999	212	39.4 %	20	28
CLASQUIN MALAYSIA	2,299	328	44.4 %	58	24
CLASQUIN AUSTRALIA	5,264	1,012	7.0 %	57	-23
CLASQUIN USA	6,823	1,303	14.7 %	91	116
CLASQUIN CANADA	0	0	NA	-41	NA
(*) :at constant exchange rate					

2.1.2 Company accounts

CLASQUIN SA financial statements for the year ending December 31st 2006 show a profit of 1,100,227 euros, of which the main components are:

	December 31st 2006	December 31st 2005	Variation
Net sales	61,933,729	55,450,263	11.69 %
Operating income	62,729,341	55,617,597	12.79 %
Operating charges	60,152,832	53,418,974	12.61 %
EBIT	**2,576,509**	**2,198,624**	**17.19 %**
Financial income	433,404	413,687	4.77 %
Financial charges	420,778	623,838	- 32.55 %
Financial result	**12,626**	**- 210,151**	**-106.01 %**
Ordinary profit	**2,589,135**	**1,988,472**	**30.21 %**
Exceptional income	3,900	199,399	-98.04 %
Exceptional charges	92,474	298,503	- 69.02 %
Profit from extraordinary activities	**-88,574**	**- 99,104**	**-10.63 %**
Employee incentive program	827,813	681,943	21.39 %
Corporate income	572,521	84,428	578.12 %
Net profit	**1,100,227**	**1,122,998**	**- 2.03 %**

Net sales amounted to 61, 933,729 euros for the year vs 55, 450,263 euros for the previous year.

Total operating income of 62,729,341 euros and total operating costs reaching 60,152,832 euros, thus leaving EBIT at 2,576,509 euros, compared to 2,198,624 euros for the previous year.

The total of financial income reached 433,404 euros and the total of financial costs was 420,778 euros resulting in a financial result showing a profit of 12,626 euros.

Profit from ordinary activities before tax was 2,589,135 euros compared to 1,988,472 euros for the previous year.
The total of exceptional income was 3,900 euros and the total of exceptional costs was 92,474 euros, resulting in a loss of – 88,574 euros.

It is important to point out that there is a significant evolution of tax on profits from one year to the next, which was 84,428 euros for 2005 but which increased to 572,521 euros for 2006 due to all available tax losses having been offset in 2005.

Company accounts for the year recorded a net profit of 1,100,227 euros compared to net profit of 1,122,998 euros for the previous year.

The table of results, provided for by article R.225-102 of the Commercial Code, is adjoined to this report in a note.

2.2 Analysis of the evolution of business, results and the Company's financial situation, notably its debt position, concerning the volume and complexity of business

Cash continues to progress reaching 4.6 million euros (after impact of foreign exchange rates) at year-end compared to – 1.6 million euros for the previous year.

The strong performance is the result of:

- the progression of the self-financing capacity, which reached 3.6 million euros (+ 11 %);
- the slight evolution of the WCR, which progressed from 0.6 € thousand in value to reach 7.3 M€ but the number of days is reduced from 15.7 days billing to 14.2 days;
- cash flow allocated to investments, which remains stable at – 1.2 million euros;
- the strong growth of cash from financing to reach 4.5 million euros (due notably to the IPO, of which the income net of costs is 4.2 million euros).

The mid and long-term debt position is 2.4 million euros and is composed of bank loans for 1.0 million euros, leasing for 1.0 million euros and an associate current account for 0.4 million euros.

Shareholders' equity (including convertible bonds) was considerably strengthened reaching 11.7 million euros, compared to 5.5 million euros on December 31st 2005.

2.3 Financial analysis of risks

2.3.1 Management of financial risks

2.3.1.1 Liquidity risk

Group investments are primarily in IT equipment (hardware and software) and on fixtures and fittings and are financed through leasing contracts and mid-term loans. The working capital requirements are financed by the Group's cash flow and occasionally by bank overdrafts.

Working capital requirements are subject to significant changes throughout the year due to occasional operations but which are of a large volume, but equally and particularly, due to the monthly settlements to customs administration (customs duties and VAT) and to the Cargo International Settlement System (in charge of collecting air freight settlements). On these settlement dates the working capital requirements register significant variations.

Contracts managing Group loans do not have restrictions of a sort that would limit operational and financial flexibility and which would represent a liquidity risk for CLASQUIN.

2.3.1.2 Rate risks

Loans contracted by the Group are at a variable rate of interest. Considering the amounts involved, the Group did not wish to set up a rate hedging operation. However, according to the evolution of market rates, the Group can, at any moment and on its own initiative, put such an operation into place.

2.3.1.3 Inflation risks

The Company considers that it runs no inflationary risk, inasmuch as the increase in freight rates, due to inflation, is passed on to the sales prices. This impact is not effective immediately due to the period of time necessary for it to be implemented.

2.3.1.4 Impact of conversion on the performance indicators

The Group is an international enterprise currently consisting of 15 companies and 36 offices located in Europe, North America, Asia and the Pacific zone. The strategy relies upon continuous development of its activities internationally.

With the Group presenting its consolidated accounts in Euros, foreign exchange fluctuations can have a positive or negative impact on CLASQUIN's level of activity and performance indicators.

2.3.1.5 Foreign exchange risks

The Euro is the currency used by CLASQUIN to establish its accounts, and invoicing between subsidiaries is established in euros. The foreign exchange risk is thus essentially born by the subsidiaries based outside the Euro zone. The Group also develops a policy of monthly exchange hedging on subsidiaries which generate heavy exchange flows.

The Group has also set up a « Clearing Office » which centralises all the settlements between the different entities. In this way the exposure in terms of foreign exchange risks for any one of the entities can be essentially summed up to a risk on a balance of debts and claims offset with all of the other Group entities. The foreign exchange risk is thus easier to measure.

With the Group having an international activity, the foreign exchange fluctuations could have a negative impact on the result of its subsidiaries situated outside the Euro-zone insufficiently hedged or not hedged at all considering the import and/or export flows, and thus on the financial situation and the results of the Group.

2.3.2 Foreign exchange rate variation risks

Following its listing on the Alternext Euronext market in Paris on January 31st 2006, and in order to ensure better liquidity of its stock market price and to regulate this, the Group signed a liquidity contract on March 16th 2006 with Oddo Midcaps.

3. Research and development activities

This activity represented 366,000 € for CLASQUIN Group, i.e. 0.3 % of our sales.

In order to optimise Group efficiency CLASQUIN has developed, in-house, an integrated IT management system. This system is used in all of its subsidiaries, except for the AEOLUS software. AEOLUS is installed in the following subsidiaries: France, Italy, Spain, Far East (Hong Kong), Australia, Singapore, Thailand, USA and Canada, which represent more than 80% of the Group's activity. This development continues in order to equip all the subsidiaries.

This integrated IT management system gives the CLASQUIN Group an important technological advantage in operation matters and subsidiary management.

4. Important events that have taken place since year end

No important event has taken place since the end of the financial year.

5. 2007 prospects

The Group plans to maintain its rate of growth and forecasts double digit growth in activity and earnings.

Geographical development should stabilise and there will be few new offices opening in 2007.

The offer segmentation will continue and the Group plans to strengthen the following sectors:

- bio – pharma – health
- luxury
- wines and spirits - perishables

The EPO plan (Excellence Plan for Operation), launched in 2006, will continue in 2007.

Moreover, we plan to transform the representing offices in China and Taiwan into operational subsidiaries and to create a subsidiary in Belgium.

6. Allocation of income

We would like to remind you that, in the prospectus established upon going public on Alternext, and subject to the financing of necessary investments for the development of the Group and that the results allow, the Company has announced its intention to proceed with an annual distribution of at least 20% of its consolidated net result- group share.

We would like to propose that the distribution, for the year ending December 31st 2006, represent approximately 25% of the consolidated net result (group share) which is 2,541,214 euros.

We suggest allocation of the year's profit of CLASQUIN SA, amounting to 1,100,226.93 euros, in the following manner:

- allocation to the legal reserve 55,011.35 euros
- dividend distribution of 624,380.68 euros
- balance 20,834.90 euros
  allocated to the retained earnings item

Each shareholder will thus receive a dividend of 0.28 Euro per share.

This dividend will be released on June 28th 2007.

In tax matters, in accordance with the provisions in force as of January 1st 2006, we would like to inform you that the dividend is not backed by a tax credit, but it entitles the shareholder (natural persons) to a 40% income tax allowance calculated on the whole amount.

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

Year	Dividend distributed per share
31st December 2005	0.23 euros
31st December 2004	0.06 euros
31st December 2003	0 euros

7. Non tax deductible expenditure

In accordance with the provisions of article 223 quater and 223 quinquiès of the General Tax Code, we must inform you that the accounts for the past year take into account the sum of 18,018 euros, corresponding to expenses that are not tax deductible, and the corporate tax at the basic rate paid for this is 6,006 euros.

8. Subsidiaries and holdings

We have presented the activity of the subsidiaries by reporting the Company's activity.
The table of subsidiaries and holdings is included in this report.

During the past year, our Company has acquired a new holding in:
- CLASQUIN CANADA held directly at 80%.

9. Audited companies

On December 31st 2006, the Company controls, directly or indirectly, the following companies:

Directly	% of control	% of interest
▪ LOG SYSTEM	70 %	70 %
▪ CLASQUIN ITALY	100 %	100 %
▪ CLASQUIN SPAIN	100 %	100 %
▪ CLASQUIN USA	80 %	80 %
▪ CLASQUIN JAPAN	100 %	100 %
▪ CLASQUIN SINGAPORE	100 %	100 %
▪ CLASQUIN FAR EAST	100 %	100 %
▪ CLASQUIN AUSTRALIA	100 %	100 %
▪ CLASQUIN KOREA	100 %	100 %
▪ CLASQUIN MALAYSIA	100 %	100 %
▪ CLASQUIN THAILAND	100 %	49 %
▪ CLASQUIN CANADA	80 %	80 %

Indirectly	% of control	% of interest
▪ CLASQUIN SECURE Subsidiary of CLASQUIN USA	100 %	100 %
▪ CLASQUIN PYONGYANG Subsidiary of CLASQUIN FAR EAST	51 %	51 %

10. Agreements provided for by article L..225-38 of the commercial code

Your auditors will provide their report for reading, and in which are mentioned the agreements duly authorised by the Board of Directors for this year and the previous years and which were continued during the year ending December 31st 2006.

11. Agreements provided for by article L..225-39 of the commercial code

The list of agreements concerning ordinary activities finalised at normal conditions and whose financial implications are significant for the parties, has been made available to you within the legal time limit and communicated to your auditors.

12. Authorisations given to the Board of Directors by the General Meeting of Shareholders

12.1 Authorisation to increase the share capital by the issuance of securities, with or without pre-emptive subscription rights, according to the case, with delegation of authority to the Board of Directors to decide on the issues

We propose to you to decide on the principle of an increase in capital with delegation of authority to the Board of Directors in order to allow the company, if needs be, to access the financial market and to pursue any development opportunity.

12.1.1 Consequently we propose to you, in accordance with the provisions of articles L. 225-129-2, L. 228-92 and L. 228-93 of the commercial code, to authorise the Board of Directors, for a twenty six month period, a delegation of competence with a view to increasing the capital, either with the issue of ordinary shares or any securities giving access to capital while maintaining the pre-emptive subscription rights.

12.1.1.1 The Board of Directors will thus be conferred with the authority to undertake one or several capital increases by the issue, in France or abroad, in euros, of ordinary shares in the Company or any other securities, issued either free or against payment, giving access by any means, immediately and/or in the future, to ordinary shares, existing or to be issued, of the Company or a company which owns directly or indirectly more than half its capital or of which it possesses directly or indirectly more than half the capital, whose subscription could be operated either in cash, or through compensation of receivables, these shares or securities may be issued in foreign currency or any monetary unit established by reference to several currencies.

12.1.1.2 The total amount of share capital increase likely to be carried out immediately and/or in the future, may not exceed two million (2,000,000) euros (nominal value), an amount to which will be added, if necessary, the nominal value of additional shares to be issued, to preserve, in compliance with the law, the rights of those holding securities entitling them access to the capital.

12.1.1.3 The shareholders will have, proportionally to the value of their shares, preferential subscription rights to ordinary shares and securities issued.

Should the number of subscriptions taken up by those with irrevocable subscription rights, including, should the situation arise, excess shares, fall short of the total number of shares or securities, as defined above, issued, the Board will be able to offer all or part of the unsubscribed shares to the public.

12.1.1.4 The Board of Directors shall also be granted the authority to undertake one or several capital increases by incorporation into the capital of premiums, reserves, and profits or other methods whose capitalisation will be legally possible and in accordance with the regulations and in the form of free allocation of shares or by increasing the nominal value of existing shares.

The total nominal amount of the capital increases likely to take place, increased by the amount necessary to preserve, in accordance with the law, the rights of holders of securities giving access to the capital and independently of the ceiling fixed in 12.1.1.2., cannot be more than the amount of the reserve accounts, bonuses or profits described above which exist at the time of the capital increase and cannot be set off against the general ceiling of point 12.1.1.2. above.

We propose, that should the Board of Director's decide to exercise the present delegation of authority, and in accordance with the provisions of article L. 225-130 of the Commercial Code, that the fractional rights shall be neither negotiable nor transferable, and that the corresponding securities be sold; the funds resulting from the sale shall be allocated to the holders of rights within the period provided for by the regulations in force.

We would like to point out that the decision to issue securities giving access to the capital carries renunciation of the shareholders to their pre-emptive right of subscription to capital securities to which the securities issued give entitlement.

We would like to specify that the Board of Directors may, if necessary, offset against share premiums any costs incurred by undertaking the issue.

We propose to you to grant the Board of Directors all of the powers required to implement the aforementioned measures, notably to determine the characteristics of the securities issued, and, more generally, to take any measures and complete all required formalities to ensure that any increase in capital is successfully carried out and that the Articles of Association are updated accordingly.

12.1.2 We also propose to grant the Board of Directors, for the same twenty six month period, a delegation of authority with a view to increasing the capital, through the issuance of ordinary shares or any securities giving access to the capital with withdrawal of the pre-emptive right of subscription.

12.1.2.1 The Board of Directors will be conferred with the authority to undertake one or more capital increases by issuing, in France or abroad, in euros, ordinary Company shares or any securities giving access by any means, immediately or in the future, to existing ordinary shares or shares to be issued by the Company or by a company which owns directly or indirectly more than half of its capital or by a company of which it owns directly or indirectly more than half the capital; subscription of these shares being possible either in cash or by compensation of receivables, these securities may be issued in foreign currency or in any monetary unit established by reference to several currencies.

12.1.2.2 The total amount of the increase in share capital likely to be carried out immediately and/or in the future, cannot be more than one million five hundred thousand (1,500,000) euros (nominal value) this amount will be offset against the ceiling fixed in 12.1.1.2.

12.1.2.3 The shareholders' pre-emptive subscription right to these securities to be issued according to the legislation will be withdrawn.

12.1.2.4 The funds the Company receives, or could subsequently receive, for each share issued or to be issued through the exercise of rights to purchase securities will be set according to normal market practices, such as, within the framework of a global investment, using the price established by an analysis of supply and demand using the so-called book building technique, as developed by professional market practice.

We would like to specify that the Board of Directors may, if necessary, offset against share premiums any costs incurred by undertaking the issue.

We propose to you to grant the Board of Directors with all the authority required to implement the aforementioned delegations of authority, notably to determine the characteristics of securities issued, and more generally to take any measures and complete any formalities necessary to ensure that the successful completion of the increase in capital and that the Articles of Association are updated accordingly.

We must specify that the present delegation renders invalid any previous delegation on the matter.

12.2 Delegation of authority to confer to the Board of Directors allowing it to increase the number of issues within the framework of an increase in capital with or without pre-emptive subscription rights, in the case of excess requests

We propose to you to authorise the Board of Directors, for the same twenty six month period, should there be an excess demand for subscriptions, the ability to increase the number of shares to be issued within the framework of the issues decided through implementation of the measures mentioned in point 1. and within the limit of the overall total provided for in point 12.1.1.2., under the conditions described in articles L.225-135-1 of the Commercial Code and 155-4 of the decree of March 23rd 1967, modified by the decree of February 10th 2005.

We propose to you to grant the Board of Directors with all the authority required to implement the aforementioned delegations of authority, notably to determine the characteristics of securities issued, and more generally to take any measures and complete any formalities necessary to ensure that the successful completion of the increase in capital and that the Articles of Association are updated accordingly.

12.3 Decision to take regarding the implementation of the law concerning company savings plans

We would like to inform you that, in accordance with the provisions of article L.225-129-6 of the Commercial Code, the General Meeting must give its opinion on a draft resolution for the purpose of undertaking an increase in capital carried out under the conditions provided for by article L.443-5 of the Employment Code:

- At each decision to increase capital by increasing the number of shares, except for legal exceptions;
- During the third civil year following the previous General Meeting having taken a decision concerning a plan to increase capital reserved for employees when the employee participation is less than 3%.

This increase in capital will fulfill the particular characteristics included in articles L.225-138-1 of the Commercial Code and L.443-5 of the Employment Code.

Consequently, we ask you to confer to the Board of Directors the authority to take independent decisions concerning this increase in capital within the maximum cumulative value of two hundred thousand (200,000) euros.

We must specify that the nominal amount of these increases in capital carried out for this delegation will be offset against the overall limit set out in the delegations described in the first point.

The beneficiaries of this increase in capital would be all the employees of the Company and the companies of the Group as defined in article L.233-16 of the Commercial Code and through an employee investment fund within the framework of the Company Savings Plan.

The shareholders must give up their pre-emptive subscription right to benefit those belonging to a company savings plan through an employee investment fund (or any other plan through which article L.443-5 of the Employment Code permits employees to reserve an increase in capital in equivalent conditions) of the Company or companies belonging to the Group as defined in article L.233-16 of the Commercial Code.

The price shall be determined according to the law and in particular with the objective methods established for evaluating shares. The subscription rate may not be higher than the subscription rate thus determined nor more than 20% lower than this rate (30 % if the minimum immobilisation period set out in the plan in accordance with article L.443-6 of the Employment Code is 10 years or more); however the Board of Directors may reduce this discount if it deems it appropriate, in particular should an offer be made to company saving plan members of securities on the international market and/or abroad in order to fulfill the requirements of locally applicable laws.

The definitive amount of the increase in capital, within the price limits set out above, shall only be fixed not exceeding the number of shares effectively subscribed by the employees at the closing date of subscriptions agreed to by the Board of Directors.

The shares must be paid up in full on the day of subscription and will be immobilised for 5 years as of the definitive realisation of the increase in capital, except for the restrictive cases listed by law.

The authorisation conferred to the Board of Directors to decide on an increase in capital reserved to employees within the framework of the provisions of article L.443-5 and the following shall remain valid for a twenty six month period as of the present General Meeting.

13. Update of point 3 of article 23 of the Articles of Association

We would like to inform you that the decree of December 11th 2006 modified the rules concerning the shareholders rights to participate in General Meetings.

Consequently, we propose you to update point 3 of article 23 of the Article of Associations with the provisions of the Decree of December 11th 2006.

14. Authorisation and powers to confer to the Board of Directors with a view to the free allocation of shares and to fix the terms and conditions of this operation

We propose to you to authorise the Board of Directors to undertake, on one or several occasions, the free allocation of existing shares or shares to be issued in future.

A free of charge share allocation scheme undertaken according to articles L.225-197-1 and the following of the Commercial Code would allow:

- The alignment of the interests of the Company shareholders with those of the beneficiaries ;
- The sharing of Company growth ;
- The increase of personal motivation of beneficiaries through sharing with them the Company's future results;
- To retain the necessary talented employees for the Group's success.

The free allocation of shares will be set up to benefit all employees and representatives of the Company and affiliated companies as described in article L.225-197-2 of the Commercial Code or to certain categories of these employees or representatives (hereafter "the beneficiaries").

The number of shares that could be allocated free of charge may not constitute more than 1.8% of share capital as of the day on which the Board of Directors takes the decision to allocate the shares.

It is proposed to the General Meeting that the shares become definitive, for all or part of the shares allocated, at the end of an acquisition period of a minimum of four years and in this case with no minimum holding period.

The withdrawal of a minimum holding period, made possible by the law of December 30th 2006 if the minimum acquisition period is at least four years, will allow the Board of Directors to waive, for all or part of the shares allocated, certain local constraints which constitute an obstacle to the internationalisation of free share allocation within the Group.

The Board of Directors will in any case have the possibility of setting an acquisition or holding period longer than these minimum periods, including under the assumption where the minimum holding period is withdrawn by the General Meeting, which will allow any particular adaptation to different local constraints.

If the General Meeting votes for this resolution, the possible free allocation of shares will be decided by the Board of Directors on the basis of propositions from the Management.

The authorisation requested at the General Meeting will be agreed for a period limited to 38 months as of the decision taken at the General Meeting.

15. Stock options

In compliance with the provisions of article L.225-184 of the Commercial code, the Annual General Meeting is to be informed of stock option plans by means of a special report, attached to this report.

We would like to inform you that the Company has no programme to attribute stock options.

16. Information relative to share capital and voting rights

In accordance with the provisions of article L.233-13 of the Commercial Code and in view of information and notification received in pursuance of articles L.233-7 and L.233-12 of the said Commercial Code, we inform you below 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 share capital or voting rights :

   - OLYMP : 34.33 % of share capital and 40.46 % of voting rights;
   - Banque de Vizille : 10.94 % of share capital and 12.92 % of voting rights;
   - Mr Yves REVOL: 11.56 % of share capital and 13.65 % of voting rights.

2. the breakdown of share capital and voting rights, in view of notifications concerning exceeding thresholds communicated by the Company, since the establishment of the previous report until this report was drafted:

   - Banque de Vizille informed the Company of having gone under the 12.5% threshold of share capital.

17. Operations undertaken by the management, or by those affiliated to them, concerning their shares

In compliance with legal and regulatory provisions, we would like to inform you that no operation was undertaken concerning Company shares during 2006 by the management or by those affiliated to them.

18. Company employee share ownership

In accordance with the provisions of article L.225-102 of the Commercial Code, we report to you the situation concerning employee shareholding in share capital at year end, the share of capital that represents, on December 31st 2006, the shares held by Company employees and by employees of affiliated companies as described in article L.225-180 of the Commercial Code, within the framework of a company savings scheme, an employee investment fund, and/or directly.

The percentage of direct holdings amounts to 8.28 %.

We would like to remind you that the FCPE Clasquin Performances, approved by the Autorité des Marchés Financiers (French market authority) on January 17th 2006, subscribed to the increase in capital for 63,862 euros, representing 1.43 % of the capital on February 27th 2006, the date when the capital increase took place. On December 31st 2006, FCPE Clasquin Performances held 1.40 % of the share capital in the company.

19. Information concerning directors

In accordance with L.225-102-1 of the Commercial Code, we report to you below the list of all the mandates and functions held during the year in any company by each representative, established from information provided by each interested party.

Mandates of Mr Yves REVOL, Chief Executive Officer:

- 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 USA
- Chairman of CLASQUIN SECURE
- Chairman of CLASQUIN THAILAND
- Chairman of CLASQUIN PYONGYANG
- Chairman of CLASQUIN CANADA
- Director of CLASQUIN KOREA
- Sole Director 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
- Director of CLASQUIN CANADA

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

Nil.

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

- Manager of LOG SYSTEM

Mandates of Mr Hamsan CHAP, Director:

- Manager of CHINA EVERRICH EUROPE SARL

Mandates of Mr Serge RENAULT, Deputy General Manager:

Nil.

Mandates of Mr Hugues MORIN, Deputy General Manager:

Nil.

20. Chairman of the Board of Directors report concerning internal audit procedures

In accordance with the provisions of the last paragraph of article L.225-37 of the Commercial Code, the Chairman of the Board of Directors reports, in a document attached to the present report, on the conditions regarding the preparation and the organisation of Board tasks as well as the internal audit procedures established by the Company and the possible limits that the Board of directors may impose on the CEO.

21. Board of Directors report on delegations in matters of capital increase

In accordance with the provisions of article L.225-100 of the Commercial Code, can be found attached to the present report, information concerning:

- The delegations of authority and power, currently valid, granted by the Board of Directors Annual General Meeting concerning increase in capital matters ;
- The use made during the year of the aforementioned delegations.

22. Auditors audit

We are going to provide you with the general and special reports from the Auditors concerning:

- The Company's annual accounts ;
- The internal audit procedures concerning the elaboration and processing of accounting and financial information ;
- The agreements described in L.225-38 and the following of the Commercial code ;
- The consolidated accounts;
- The delegation given to the Board to proceed with the issue of securities with or without the pre-emptive right of subscription;
- The withdrawal of the pre-emptive subscription right to employees of the Company and companies of its Group described in L.225-180 of the Commercial Code ;
- The delegation given to the Board to proceed with free attribution of existing or future shares to employees or company representatives of the Group.

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

The Board of Directors

NOTES

BOARD OF DIRECTORS REPORT ON THE DELEGATIONS IN MATTERS OF CAPITAL INCREASE

In order to comply with the provisions of article L.225-100 of the Commercial Code, here follows our account of the information concerning:

1. delegations of authority and powers currently valid, granted to the board of Directors in matters concerning increase in capital:

1.1 The Extraordinary General Meeting of November 18th 2005 granted the Board of Directors with the authority:

- To increase the share capital by the issue of shares with or without the withdrawal of the pre-emptive subscription right, according to the case, with the authority of the Board of Directors to carry out the issues and to finalise the terms and conditions;

- To increase the number of securities to be issued under the conditions of article L.225-135-1 of the Commercial Code in the case of excess demand of subscription during the increases of capital described above;

- To increase the share capital with withdrawal of the pre-emptive right of subscription to members of a company savings scheme through an employee investment fund (or any other plan which article L.443-5 of the Commercial Code allows to reserve an increase of capital under equivalent conditions) of the Company and companies of the Group described in article L.223-16 of the Commercial Code, with delegation to the Board of Directors to carry out the issue and finalise the terms and conditions.

2. on the use made during the exercise of the delegations described above :

2.1 The Extraordinary General Meeting of November 18th 2005 granted the Board of Directors with the powers, which were implemented during the three following meetings:

- <u>Board of Directors' Meeting of January 11th 2006</u> :

  - Decided to proceed with an increase in capital open to the public, for a nominal amount of 596,000 euros by the issue of 298,000 new shares with a nominal value of 2 euros each ;

  - Decided to proceed with the increase in capital with withdrawal of the Shareholders' pre-emptive right of subscription to benefit members of the FCPE Clasquin Performances, for a maximum amount of 32,000 new shares with a nominal value of 2 euros each;

  - Finalised the terms of its complementary report established under article L.225-12-5 of the Commercial Code and according to the provisions of article 155-2 of the March 23rd 1967 decree.

- **Board of Directors' Meeting of January 31st 2006**:

  - Set the issue price of the increase in capital open to public at 15.50 euros per share;

  - Given the performance bond delivered by Vizille Capital Finance, fixed the final amount for the increase in capital open to the public at 596,000 euros (nominal value) with the issue of 298,000 new shares at a nominal value of 2 euros each at a price of 15.50 € per share, for a total amount, including the share premium, of 4,619,000 euros ;

  - Set the issue price for the increase in capital reserved to members of 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.

- **Board of Directors' Meeting of February 27th 2006**:

  - Given the subscription bulletin of FCPE and the custodian certificate, fixed the final amount for the increase in capital of 63,862 euros, with withdrawal of the pre-emptive subscription rights to the benefit of members of the Clasquin Performance company savings scheme, 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 issue premium, of 395,944.40 euros ;

  - 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 – annual accounts – of the management report

Table of results

TABLE OF RESULTS	31.12.2006	31.12.2005	31.12.2004	31.12.2003	31.12.2002
CAPITAL AT YEAR END					
Share capital	4,459,862	3,800,000	3,800,000	3,000,000	750,000
Number of ordinary shares	2,229,931	1,900,000	3,800,000	3,000,000	750,000
OPERATIONS AND RESULT					
Sales (net of tax)	61,933,729	55,450,263	44,016,259	42,180,683	1,805,024
Profit before tax, performance-based salary, depreciation and amortization	2,944,067	2,304,585	1,421,945	(705,299)	404,668
Corporate tax	572,521	84,428	22,500	24,711	(43,948)
Employee performance-based salary	827,813	681,943	150,928	268,489	25,666
Profit after tax, performance-based salary, depreciation and amortization	1,100,227	1,122,998	492,281	170,666	(191,397)
Dividends		512,884	228,000		
EARNINGS PER SHARE					
Earnings after tax, employee performance based salary and before depreciation and amortization	0.76	0.81	0.33	1.33	0.56
Earnings after tax, employee performance based salary, depreciation and amortization	0.49	0.59	0.13	0.23	(0.26)
Dividend distributed		0.23	0.06		
EMPLOYEES					
Average number of employees	140	141	118	106	8
Wage and salary costs	4,379,812	3,911,314	3,132,865	3,023,237	404,559
Amount paid for benefits in kind	2,078,833	1,605,263	1,363,696	1,319,977	161,243

Notes to paragraph 8 – subsidiaries and holdings – of the management report

Subsidiaries and holdings

SUBSIDIARIES (more than 50 % of capital held)	Capital	Shareholders' equity on 31/12/2006	Share of capital held	Book value of shares held	
				gross	net
CLASQUIN FAR EAST	97,503	2,568,102	100 %	128,893	128,893
CLASQUIN AUSTRALIA	373,848	172,209	100 %	365,428	171,326
CLASQUIN JAPAN	63,649	340,707	100 %	196,746	196,746
CLASQUIN KOREA	248,100	470,377	100 %	214,493	214,493
CLASQUIN SINGAPORE	197,706	224,663	100 %	232,047	223,802
CLASQUIN THAILAND	127,572	-82,249	100 %	617	0
CLASQUIN MALAYSIA	92,166	35,577	100 %	127,372	35,372
CLASQUIN SPAIN	335,032	694,578	100 %	453,356	453,356
CLASQUIN ITALY	100,000	58,914	100 %	118,367	55,367
CLASQUIN USA	15,159	536,092	80 %	99,148	99,148
CLASQUIN CANADA	32,520	-8,000	80 %	26,438	26,438
LOG SYSTEM	7,622	124,807	70 %	88,039	88,039
CLASQUIN NETHERLANDS	NA	NA	NA	18,106	0

SUBSIDIARIES (more than 50 % of capital held)	Advances and loans granted by the company	Amounts of guarantees and securities given by the company on 31/12/2006	Sales excl. tax for year under review	Result 2006	Dividends received by the company during the year
CLASQUIN FAR EAST	300,000	1,253,784	29,592,209	1,061,961	0
CLASQUIN AUSTRALIA	150,000	131,808	5,263,948	38,235	0
CLASQUIN JAPAN	0	637,227	8,228,370	59,672	0
CLASQUIN KOREA	0	0	3,406,270	114,019	0
CLASQUIN SINGAPORE	166,667	561,340	3,070,664	22,695	0
CLASQUIN THAILAND	166,667	49,261	999,339	3,407	0
CLASQUIN MALAYSIA	163,333	141,966	2,298,813	23,731	0
CLASQUIN SPAIN	0	0	6,290,275	222,541	0
CLASQUIN ITALY	119,167	712,000	2,012,490	-44,375	0
CLASQUIN USA	0	0	6,823,351	57,374	0
CLASQUIN CANADA	33,048	0	0	-43,755	0
LOG SYSTEM	0	0	1,630,962	35,288	11,200
CLASQUIN NETHERLANDS	0	544,105	NA	NA	0

OTHER DOCUMENTS

A document attached to the management report detailing the conditions for preparing and organising Board tasks as well as the internal control procedures established by the Company

In accordance with article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors gives account, in a document attached to the management report, of “conditions for preparing and organising Board tasks as well as the internal control procedures established by the Company. Without prejudice to the provisions of article L.225-56 of the Commercial Code, the report indicates the possible limits that the Board of Directors may impose on the power of the CEO".

It is my honour to present this report to you.

1. Conditions for preparing and organising 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 June 13th 2003 ;
    - Renewal of his mandate as Chairman & CEO by the Board of Directors meeting on June 16th 2003 ;
    - Expiry of the mandate at the Annual General Meeting to review the financial statements for the year ending December 31st 2008.

- **Mr Philippe LONS**, Deputy Chief Executive and Director:
    - Renewal of his mandate as Director by the Annual General Meeting on June 13th 2003 ;
    - Renewal of his mandate as Deputy Chief Executive by the Board of Directors meeting on April 5th 2006 for a period equalling that of the Chairman & CEO’s mandate;
    - Expiry of the mandate at the Annual General Meeting to review the financial statements for the year ending December 31st 2008.

- **OLYMP**, Director, represented by Mr Philippe LE BIHAN :
    - Appointment by the Annual General Meeting on July 15th 2004 ;
    - Expiry of the mandate at the Annual General Meeting to review the financial statements for the year ending December 31st 2009.

- **Mr Hamsan CHAP**, Director :
    - Appointment by the Annual General Meeting of June 6th 2006 ;
    - Expiry of the mandate at the Annual General Meeting to review the financial statements for the year ending December 31st 2011.

The Board of Directors now includes an independent Director in accordance with the recommendations of the French Financial Markets Authority relating to Corporate Governance.

Three Deputy General Managers are not members 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 of April 5th 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 of April 5th 2006 for a period equalling that of the Chairman & CEO's mandate.

- **Mr Hugues MORIN**, Deputy General Manager:
  - Renewal of his mandate as Deputy General Manager by the Board of Directors meeting of July 12th 2006 for a period equalling that of the Chairman & CEO's mandate.

1.2 Role and operation of the Board of Directors

The Board of Directors met seven times in 2006. The average attendance rate of Directors (present or by proxy) in 2006 was 87.5 %.

1.3 Remuneration and benefits in kind granted to company representatives

There are no specific rules for determining Board of Directors' remuneration and benefits in kind granted to company representatives (other than stock options and free shares).

1.4 Limitations of the CEO's powers

Article 18 "General Management" of the articles of association stipulates "Subject 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 Chairman & 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 within the limit of the company's purpose and subject to the powers the law expressly grants to shareholders meetings and the Board of Directors ".

1.5 Special Committees

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

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

The Human Resources Management Committee is the Management Committee meeting that deals specifically with issues relating to human resources. It meets once every two weeks and is led by the Group Human resources Director. It deals with global issues such as remuneration, salary policy, recruitment policy and individual questions concerning recruitment, departures and transfers.

The France Monthly Meeting brings together the heads of each profit centre in France. The full-day meeting is held once a month, and the schedule is set for the year. Its objective is to analyse each profit centre from a financial and sales and marketing standpoint. The head of each profit centre reports on monthly results, sales events and short-term changes.

Each committee produces a written report.

2. Procedures implemented by the Company

For many years, CLASQUIN SA has developed and installed its own information system throughout the entire Group to provide network-wide financial control and operational reporting.

Organisation of financial control and reporting is thus intrinsically linked to this information system and relies on both centralised and decentralised financial control. This structure depends on the 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

Profit Centre Heads

- Run their own monthly management control
- Report every month

⇓

Subsidiary Heads

- Run their own monthly management control
- Report every month

⇓

Group Financial Department

2.2 Consolidation

Operational consolidation is carried out:

- Monthly from statistical information
- Every six months based on accounting information. Consolidated financial statements at June 30th are not submitted to the Auditors for certification.

The procedure for the compilation of the "GOR" (Group Operational Result) via an IT tool with a unique format that is able to analyse the Income Statement. It is monitored by head office. This is a monthly procedure.

The compilation of "PAS" (Periodical Accounting Statements) is a dynamic procedure as it enables checks to be carried out between the subsidiaries accounts and the "GOR". Any discrepancies must be explained.

2.3 Follow-up of customer accounts

The "**SAM**" (Subsidiary Ageing Monitor) is a reporting tool used for real time follow-up, individually and by degree of ageing that provides customer receivable statements for all Group companies.

2.4 Legal control

Legal control is provided by a legal manager under the responsibility of the Administrative and Financial Director and the CEO.

The Chairman of the Board of Directors

Auditors' report established according to article L.823-9 of the French Commercial Code on the Chairman of the Board of Directors of CLASQUIN SA concerning internal control procedures regarding the compilation and processing of financial and accounting information.

Ladies and Gentlemen,

As Auditors of CLASQUIN and in accordance with the provisions of article L.823-9 of the French Commercial Code, we hereby present our report on the report drawn up by the Chairman of your company according to the provisions of article L.225-37 of the Commercial Code for the year ending December 31st 2006.

It is the Chairman's duty to give account, in his report of the conditions for preparing and organising the Board of Directors' tasks and the internal control procedures implemented within the Company.

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

We performed our work in compliance with professional standards applicable in France. This requires taking due care to assess the true nature of the information provided in the Chairman's report concerning the internal control procedures relating to the compilation and processing of the accounting and financial information. This due care consists primarily of:

- Studying the objectives and general organisation of internal control, as well as the internal control procedures relating to the compilation and processing of accounting and financial information presented in the Chairman's report;
- Studying the documents underlying the information given in this report.

On the basis of this work, we have no observations to make on the information provided concerning the Company's internal control procedures relating to the compilation and processing of the accounting and financial information presented in the Chairman of the Board of Directors' report established in accordance with the provisions of the last paragraph of article L.225-37 of the French Commercial Code.

LYON, April 19th 2007

Auditors

KPMG - Entreprises	PIN ASSOCIES
Department within KPMG SA	
Alain CHAMAK	Jean-François PIN
Partner	Partner

Auditors' special report for the year ending December 31st 2006

Ladies and Gentlemen,

As auditors of your Company, we would like to present you our report on the regulated agreements and commitments.

In accordance with article L.225-40 of the French Commercial Code, we were informed of the agreements and commitments which are the subject to your Board of Directors' prior authorisation.

It is not our duty to look for the possible existence of other agreements and commitments, but to inform you, on the basis of the information we have been given, of the main characteristics and conditions that we were informed of, without giving our opinion on their usefulness or validity. It is for you, according to the terms of article R.225-31 of the French Commercial Code, to assess the importance of the outcome from these agreements and commitments with a view to their approval.

We performed our work in compliance with professional standards applicable in France; these standards require due care in order to check the information given to us concurs with the reference documents from which it was taken.

Company	Purpose
OLYMP	The amount of fees for the management carried out by OLYMP were increased to € 270,000 excl. VAT/year as of January 1st 2006. Board of Directors' Meeting of April 5th 2006
All subsidiaries	Renewal of authorization to grant guarantees and other securities for one year for the benefit of subsidiaries limited to: € 3,800,000 for renewals € 1,000,000 for new guarantees General Meeting of April 5th 2006
CLASQUIN ITALIA CLASQUIN SPAIN CLASQUIN FAR EAST CLASQUIN JAPAN CLASQUIN KOREA CLASQUIN SINGAPORE CLASQUIN MALAYSIA CLASQUIN THAILAND CLASQUIN AUSTRALIA CLASQUIN USA CLASQUIN PYONGYANG	Signature of a treasury agreement with subsidiaries applicable from September 1st 2006. General Meeting of September 29th 2006

Moreover, in pursuance of the French Commercial Code, we were informed that the execution of the following previously approved agreements and commitments, continued during the last financial year.

Agreements previously approved, whose execution continued during the financial year:

- Table I presents individual agreements applicable to each relevant company,
- Table II presents agreements applicable to all relevant companies,
- Table III presents guarantees and other securities.

The people involved in these agreements (Administrator, Chief Executive, permanent representative of a legal entity administrator, shareholder holding more than 5% of the share capital) are shown in table IV of this report.

1. Agreements relating to individual companies

Company	Purpose
CLASQUIN JAPAN	Agreement of terms and conditions of loan granted by CLASQUIN JAPAN in 2001.
SCI DE LA LOUVE	Rental from SCI DE LA LOUVE of 537 m² of office space situated in immeuble Le Rhône-Alpes – 235 cours Lafayette in Lyons, and 14 parking spaces for the annual sum of € 181.21 /sqm and € 1,242.60 excl. VAT per parking space - revised annually. Expenses fixed for the year: € 123,256 excl. VAT.
LOG SYSTEM	Centralised cash management agreement with Banque FORTIS.
CLASQUIN AUTRALIA CLASQUIN FAR EAST CLASQUIN ITALIA CLASQUIN JAPAN CLASQUIN KOREA CLASQUIN MALAYSIA CLASQUIN SINGAPORE CLASQUIN SPAIN CLASQUIN USA CLASQUIN THAILAND	Authorisation to conclude an agreement named "agreement on in-house invoice follow-up between CLASQUIN Group companies and on settlement management". Applicable until August 31st 2006

2. Agreements relating to all subsidiaries

Nature	Purpose – Agreements Terms
Payment for guarantees	Payment of 1.75 % for guarantees granted to subsidiaries. Income for year : € 61,687
Guarantees and other securities	Provision of guarantees and other securities, during one year from May 9th 2005 to subsidiaries up to the limit of : € 3,372,827 per year for renewals € 1,000,000 per year for new guarantees Applicable until April 5th 2006

3. Guarantees and other security

Company	Financial institutions	Amounts
CLASQUIN SPAIN	CAIXA	€ 125,000 until 30.06.2006
CLASQUIN NETHERLANDS	Nationale Borg NMB HELLER	475,000 florins 700,000 florins
CLASQUIN SINGAPORE	NATEXIS SINGAPORE NATEXIS SINGAPORE	932,000 SGD € 100,000
CLASQUIN FAR EAST	BRA LYON HSBC BANQUE POPULAIRE LYON NATEXIS Hong Kong Branch	€ 152,449 6,000,000 HKD € 152,449 € 363,000
CLASQUIN AUSTRALIA	BANQUE RHONE ALPES CCF (HSBC AUSTRALIA)	€ 68,602 220,000 AUD
CLASQUIN ITALIA	ROLO BANCA now UNICREDIT BANCA D'IMPRESA BP DI MILANO UNICREDIT BANCA D'IMPRESA COFACE	€ 120,000 until 01/06/06 € 300,000 decreased to € 72,000 on 26/07/06 € 250,000 € 90,000 since 09/02/06
CLASQUIN MALAYSIA	NATEXIS LYON CCF (HSBC MALAYSIA)	360 000 ringgits 300 000 ringgits
CLASQUIN JAPAN	SUMITOMO	100 000 000 yens
CLASQUIN THAILAND	NATEXIS LYON	€ 49,261

4. People involved in the agreements

	Yves REVOL	Philippe LONS	Philippe LE BIHAN	Serge RENAULT	Hugues MORIN	Hamsam CHAP
CLASQUIN SA	Chairman + CEO	Director + Deputy CEO	DGM + representative of OLYMP, Director	DGM	DGM	Director
CLASQUIN SPAIN	Sole Director					
CLASQUIN FAR EAST	Chairman	Director				
CLASQUIN SINGAPORE	Chairman	Director				
CLASQUIN JAPAN	Chairman	Director				
CLASQUIN AUSTRALIA	Chairman	Director				
CLASQUIN ITALIA	Chairman	Director				
SCI LA LOUVE	Manager	Partner	Partner			
CLASQUIN MALAYSIA	Chairman	Director				
LOG SYSTEM		Representative of CLASQUIN SA	Manager			
OLYMP	Manager					
CLASQUIN TAIWAN	Chairman					
CLASQUIN USA	Chairman					
CLASQUIN KOREA	Director	Director				
CLASQUIN SECURE	Chairman					
CLASQUIN THAILAND	Director	Director				
CLASQUIN CANADA	Chairman	Director				
CLASQUIN PYONGYANG	Chairman					

LYON, April 19th 2007

Auditors

KPMG - Entreprises
Department within KPMG SA
Alain CHAMAK
Partner

PIN ASSOCIES

Jean-François PIN
Partner

Resolutions proposed at the Combined General Meeting of 12 June 2007

First resolution

Following the presentation of the Board of Directors' Report and the reading of the Auditors' General Report on the company accounts for the year ending 31 December 2006, the General Meeting approves the company accounts as presented as well as the transactions reported in these accounts and summarised in the reports.

The General Meeting also approves the sum of € 18,018 as the total for expenses and charges non-deductible from profits and subject to corporate income tax, as well as the tax borne under the aforementioned expenses and charges amounting to € 6,006.

The Directors are therefore granted discharge from their responsibilities in this respect for the aforementioned financial year.

Second resolution

Further to the proposal by the Board of Directors, the General Meeting decides to allocate the profits from the year amounting to € 1,100,226.93 as follows:

- allocation to the legal reserve € 55,011.35
- dividend distribution of € 624,380.68
- balance, to be carried forward € 420,834.90

Every shareholder will therefore receive a dividend of € 0.28 per share.

This dividend is payable on 28 June 2007.

Regarding taxation, as per the legal provisions in force from 1 January 2006, this dividend does not carry tax credits, but it entitles shareholders who are private individuals to a rebate of 40% calculated on the total amount.

The General Meeting records that the sums distributed as dividends over the past three financial years have been as follows:

Year ending	Dividend distribution per share
31-12-2005	€ 0.23
31-12-2004	€ 0.06
31-12-2003	nil

Third resolution

After hearing the Auditors' Special Report on agreements relating to articles L.225-38 and the following of the French Commercial Code the General Meeting approves the centralised cash management agreement between CLASQUIN SA and its named subsidiaries described therein.

Fourth resolution

After presentation of the Board of Directors' Report including the Group's management report and the reading of the Auditors' General Report on the consolidated accounts for the year ending 31 December 2006, the General Meeting approves the consolidated accounts as presented as well as the transactions recorded in these accounts and summarised in the reports.

Fifth resolution

The General Meeting, taking into account the Board of Directors' Report and the Auditors' Special Report, and according to the provisions of articles L.225-129-2, L.228-92 and L.228-93 of the French Commercial Code:

1° Delegates to the Board of Directors the authority to undertake one or more capital increases by issuing, within France or abroad, in euros, ordinary Company shares or any securities, issued against payment or free of charge, giving access by any means, immediately and/or in the future, to existing ordinary Company shares or to shares that may be issued by the Company or by a company that owns directly or indirectly more than half its capital or by a company of which the Company owns directly or indirectly more than half the capital; subscription of these shares shall be possible either against cash or by netting of claims, and these securities may be issued in foreign currency or in any monetary unit index-linked to several currencies.

This authorisation conferred on the Board of Directors is valid for a period of twenty-six months from the present Meeting.

2° Decides that the total nominal value of the capital increase that may be carried out immediately and/or in the future, may not exceed two million (2,000,000) euros in nominal value, to which sum may be added, when and if appropriate, the nominal value of the additional shares issued to preserve, according to the law, the rights of those holding securities entitling them access to capital.

3° Decides that:

The Shareholders have, proportionally to the total value of their shares, preferential subscription rights to ordinary shares and to securities issued according to this resolution;

If the number of subscriptions taken up by those with irrevocable subscription rights, including, should the situation arise, excess shares taken up by subscribers over their entitled amount, falls short of the number of shares or securities (as defined above) released, the Board may offer all or part of these unsubscribed shares to the public.

4° Delegates to the Board of Directors, for the same period of twenty-six months, the authority to undertake one or more capital increases though incorporating into the capital any premiums, reserves, profit or other monies that may be legally and contractually incorporated into the capital, by allocating bonus shares and/or increasing the nominal value of existing shares.

Decides that, should the Board of Directors decide to make use of this authority, in accordance with the provisions of article L.225-130 of the French Commercial Code, the fractional rights shall be neither negotiable nor transferable, and that the corresponding equity securities shall be sold; the sums from the sale shall be allocated to the rights holders within the period provided for by the regulations in force.

Decides that the total nominal value of the capital increase that may be carried out in this way, plus the nominal total of any further shares issued to preserve, according to the law, the rights of those holding securities entitling them access to capital, may not exceed the balance of the reserve, premiums and profit accounts specified above, which exist at the time of the capital increase and shall not be included in the overall limit specified in section 2 above.

5° Decides that the Board of Directors may, if necessary, offset against share premiums any costs incurred by undertaking the issue.

6° Decides that the Board of Directors shall have all powers required to implement any of the measures described above, in particular to determine the characteristics of securities issued, and, more generally, to take any measures and complete any formalities necessary to ensure that any increase in capital is successfully carried out and that the Articles of Association are updated accordingly.

7° Records that this delegation of authority renders invalid any previous delegation on the matter.

Sixth resolution

The General Meeting, taking into account the Board of Directors' Report and the Auditors' Special Report, and in accordance with the provisions of articles L.225-129-2, L.225-135 and L.228-92 of the French Commercial Code:

1° Delegates to the Board of Directors the authority to undertake one or more capital increases, by issuing, within France or abroad, in euros, ordinary Company shares or any securities giving access by any means, immediately and/or in the future, to existing ordinary Company shares or to shares that may be issued by the Company or by a company that owns directly or indirectly more than half its capital or by a company of which the Company owns directly or indirectly more than half the capital; subscription of these shares being possible either against cash, or by netting of claims, and these securities may be issued in foreign currency or in any monetary unit index-linked to several currencies.

This authorisation conferred on the Board of Directors is valid for a maximum duration of twenty-six months from this Meeting.

2° Decides that the total nominal value of the capital increase that may be carried out in this manner, immediately and/or in the future, may not exceed one million, five hundred thousand (1,500,000) euros in nominal value, and that this amount must be included in the overall limit established in the fifth resolution.

3° Decides to abolish preferential subscription rights of Shareholders to securities which are issued in accordance with this resolution.

4° Decides that, in accordance with article L.225-136 2° of the French Commercial Code, the share issue price shall be set according to normal market practice, such as, in the case global placements for example, using the price established by analysing supply and demand using the so-called book building method, as developed by professional market practice.

5° Decides that the Board of Directors may, if necessary, offset against share premiums any costs incurred by undertaking the issue.

6° Decides that the Board of Directors shall have all the powers required to implement this capital increase, in particular to determine the characteristics of securities issued, and, more generally, to take any measures and complete any formalities necessary to ensure that any increase in capital is successfully carried out and the Articles of Association are updated accordingly.

7° Records that this delegation of authority renders invalid any previous delegation on the matter.

Seventh resolution

On the suspensive condition that the fifth and sixth resolutions are adopted, the General Meeting, taking into account the Board of Directors' Report and the Auditors' Special Report, for each new issue undertaken in the application of the aforementioned resolutions, authorises the Board of Directors to increase the number of shares to be issued within the provisions of articles L.225-135-1 of the French Commercial Code and of article 155-4 of the Decree of 23 March 1967, and within the limit of the overall total described in said resolutions, should the Board of Directors note an excessive demand for subscriptions.

The delegation of authority hereby conferred on the Board of Directors is valid for a duration of twenty-six months from this Meeting.

Eighth resolution

The General Meeting, having heard the Board of Directors' Report and the Auditors' Special Report, and applying the provisions of article L.225-129-6 of the French Commercial Code, delegates to the Board of Directors, from this day onwards, for a duration of twenty-six months, all powers required to take independent decisions to undertake one or more increases in company capital under the conditions set out in article L.443-5 and following of the French Labour Code, at times that it shall dictate, for a maximum total nominal amount of two hundred thousand (200,000) euros, reserved for members of a company savings plan in the form of an FCPE[1] (or any other plan through which article L.443-5 of the Labour Code permits employees to reserve an increase in capital under equivalent conditions) of the Company and companies of the same Group as defined in article L.233-16 of the French Commercial Code.

The total nominal amount of any capital increases undertaken under this resolution must fall within the overall limit set out in the fifth resolution.

The price shall be determined in accordance with the law and in particular with the objective methods established valuing shares. The actual subscription price may not be higher than the subscription rate thus determined nor more than 20% lower than this rate (30% if the minimum term set out in the plan in accordance with article L.443-6 of the Labour Code is 10 years or more); however the Board of Directors may reduce this discount if it deems appropriate, in particular should an offer be made to company saving scheme members of securities on the international market and/or abroad in order to fulfil the requirements of locally applicable laws.

The General Meeting confers on the Board of Directors all powers required to implement this delegation of authority, and in particular the power to decide upon any capital increases in accordance with the abovementioned conditions, to decide upon the means by which and the conditions under which any such increases take place, and in particular to set the issue price of the shares according to legal limits and to those set out by the present General Meeting, to decide upon the opening and closing dates for subscriptions, and generally to ensure the success of any transactions involved in carrying out the increases and amending the Articles of Association accordingly.

The General Meeting records that this delegation of authority renders invalid any previous delegation on the matter.

[1] FCPE = *fonds communs de placement d'entreprise* (employee investment fund)

Ninth resolution

The General Meeting, having heard the Board of Directors' Report and the Auditor's Special Report, decides to withdraw the preferential subscription rights of holders of ordinary shares or of securities giving access to ordinary shares issued within the context of the delegation of authority described above in the eighth resolution, in favour of members of a company savings plan in the form of an FCPE (or any other plan through which article L.443-5 of the Labour Code permits employees to reserve an increase in capital under equivalent conditions) of the Company or companies of the same Group as described in article L.233-16 of the French Commercial Code.

Tenth resolution

The General Meeting, having heard the Board of Directors' Report, decides to update point 3 of article 23 of the Company's Articles of Association with the provisions of the Decree of 11 December 2006.

Consequently, the General Meeting decides to modify point 3 of Article 23 of the Company's Articles of Association, which shall henceforth read as follows:

"ARTICLE 23 – RULES APPLYING TO ALL TYPES OF MEETING

(...)

3) Access to meetings – Powers

Any shareholder has the right, with proof of identity, to participate in Meetings, irrespective of how many shares they hold, by either attending in person, by returning a voting sheet by post, or by nominating a proxy, under the condition that:

- *for holders of registered shares, the name of the shareholder or their registered intermediary (as per Paragraph 7 of Article L.228-1 of the French Commercial Code) is entered in the Company's Share Register.*

- *For holders of bearer shares, the shares in the name of the shareholder or their registered intermediary (as per the Paragraph 7 of Article L.228-1 of the French Commercial Code) are entered in the Share Register held by the authorized intermediary,*

as of the third working day prior to the General Assembly at midnight, Paris time."

Eleventh resolution

The General Meeting, taking into account the Board of Directors' Report and the Auditor's Special Reports, in accordance with articles L.225-197-1 and following of the French Commercial Code:

- Authorizes the Board of Directors to undertake, on one or several occasions and on the basis of its independent decisions, the distribution, free of charge, of existing CLASQUIN company shares or shares to be issued in future, to paid employees and company representatives and to those of affiliated companies as described in article L.225-197-2 of the French Commercial Code, or to certain categories of these employees or representatives;
- Fixes at 38 months from the date of this meeting, the duration of validity for this authorisation, which may be used one or several times;
- Decides that the Board of Directors shall determine the identity of the beneficiaries of the bonus shares and well as the conditions and, if appropriate, the criteria under which the shares may be allocated;

- Decides that the number of shares thus allocated free of charge may not constitute more than 1.8% of share capital as of the day on which the Board of Directors takes the decision to allocate the shares ;

- Decides that the allocation of said shares to their beneficiaries shall become final, for all or part of the shares allocated, at the end of an acquisition period of a minimum of four years, and in this case with no minimum holding period.

- Decides that the allocation of said shares to their beneficiaries shall become final before the expiry of the abovementioned acquisition periods should a beneficiary be disabled according to the second or third classification set out in Article L.341-1 of the French Social Security Code and that said shares will be freely transferable should the beneficiary be disabled according to the classification in the abovementioned categories described in the Social Security Code;

- Authorises the Board of Directors to proceed, if appropriate, during the acquisition period, with adjustments to the number of shares linked to possible transactions involving share capital in order to preserve the rights of the beneficiaries.

- Records that, with regards to shares to be issued, this delegation shall result, at the end of the acquisition period, in an increase in capital through the incorporation of reserves, profit or premiums in favour of the beneficiaries of said shares and records that this decision automatically waives shareholder rights in favour of the beneficiaries of the bonus shares, to the share of the reserves, profit or premiums which is thereby incorporated into the capital;

- Records that this authorisation automatically results in the withdrawal of preferential subscription rights of shareholders in favour of the beneficiaries of shares allocated free-of-charge, should new shares be issued.

- Delegates to the Board all necessary powers, with the ability to further delegate these powers within legal limits, to implement this authorisation, acknowledging that the Board of Directors may set the durations of the acquisition and holding periods above the minimum periods established above.

Twelfth resolution

The General Meeting confers on holders of originals, copies or extracts of this document, all powers required to complete all the necessary formalities for registering the document.